



Corporate Presentation

June 2020

Note: Figures in the presentation are as of 3/31/20, unless otherwise stated.

Forward-Looking Statements and Other Matters

Statements in this presentation which are not historical fact may be deemed forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Although iStar believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, the Company can give no assurance that its expectations will be attained. The Company undertakes no obligation to update or publicly revise any forward looking statement, whether as a result of new information, future events or otherwise.

This presentation should be read in conjunction with our consolidated financial statements and related notes in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and our Annual Report on Form 10-K for the year ended December 31, 2019. In assessing all forward-looking statements herein, readers are urged to read carefully all cautionary statements in our Form 10-K.

Factors that could cause actual results to differ materially from iStar's expectations include general economic conditions and conditions in the commercial real estate and credit markets, the effect of the COVID-19 pandemic on our business and growth prospects, the Company's ability to grow its ground lease business directly and through SAFE, the Company's ability to generate liquidity and to repay indebtedness as it comes due, additional loan loss provisions and asset impairments, the market demand for legacy assets the Company seeks to sell and the pricing and timing of such sales, changes in NPLs, repayment levels, the Company's ability to make new investments, the Company's ability to maintain compliance with its debt covenants, the Company's ability to generate income and gains from its portfolio and other risks detailed in "Risk Factors" in our 2019 Annual Report on Form 10-K, and any updates thereto made in our subsequent filings with the SEC.

Important Note re COVID-19: Our first quarter operations occurred largely before the COVID-19 pandemic materially affected the US economy. Readers of this presentation are cautioned that our results for the first quarter may not be indicative of our results for the remainder of 2020. Readers are urged to read our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 for a more fulsome discussion of our first quarter results, including the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" sections included therein.

Note: Please refer to the "Glossary" section in the Appendix for a list of defined terms and metrics.



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iStar Overview (NYSE: STAR)

- iStar Inc. (NYSE: STAR) is focused on reinventing the ground lease sector, helping create a logical new approach to the way real estate is owned, and continues to use its historic strengths in finance and net lease to expand this unique platform
 - iStar is the founder, investment manager and largest shareholder of Safehold Inc. (NYSE: SAFE), the first publicly traded company to focus on modern ground leases
- One of the most experienced public commercial real estate investment companies in the U.S.
 - Over \$40 billion of transactions
 - Strongly aligned management team has led business over two decades
 - History of innovation and scaling newly discovered opportunities



Q1 '20 Update – Our Strategy

I. Scale Safehold

\$1.8b

Market Value of
SAFE Investment⁽¹⁾

+34%

SAFE TSR YTD⁽²⁾

\$943m

Unrealized Gain⁽³⁾

II. Strengthen Balance Sheet

\$435m

Cash & Revolver Availability
(as of April 29, 2020)

2.5

Years with No
Corporate Maturities

III. Simplify Business

\$88m

Legacy Asset
Sales Proceeds

8%

Reduction in
Legacy Assets



(1) SAFE market value is based on iStar's ownership of 33.4m shares (65.4% ownership of the business) and a stock price of \$53.79 per share on May 26, 2020.

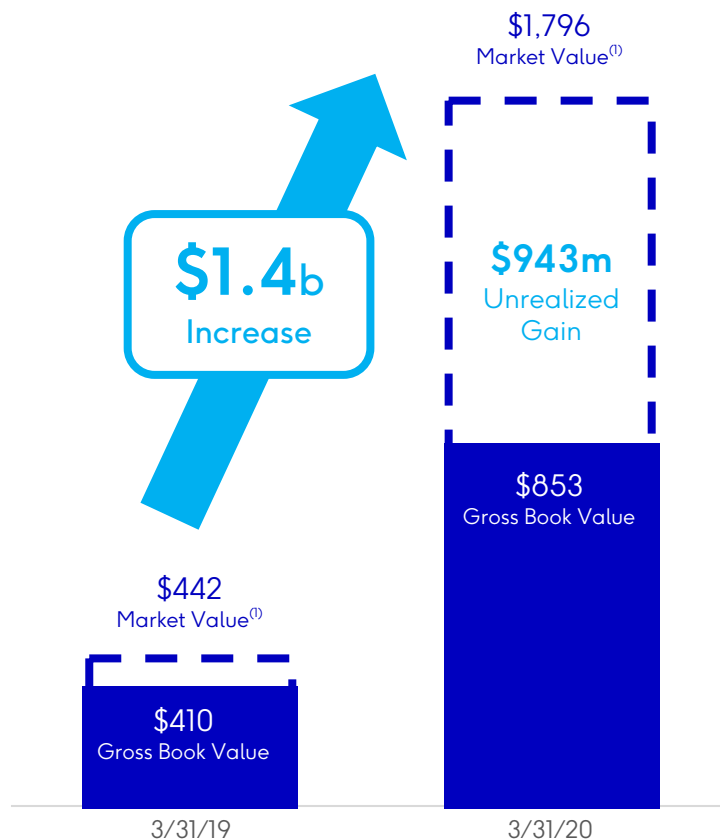
(2) Total shareholder return calculated from December 31, 2019 to May 26, 2020.

(3) Unrealized gain based on difference between Gross Book Value of \$853m and market value.

Safehold Q1 '20 Highlights

I. Scale Safehold

Investment in Safehold



\$105m
Additional iStar Investment in SAFE

#1
Quarterly Return Among Publicly-Traded REITs⁽²⁾

\$2.8b
Safehold Ground Lease Portfolio



Note: \$ in millions.

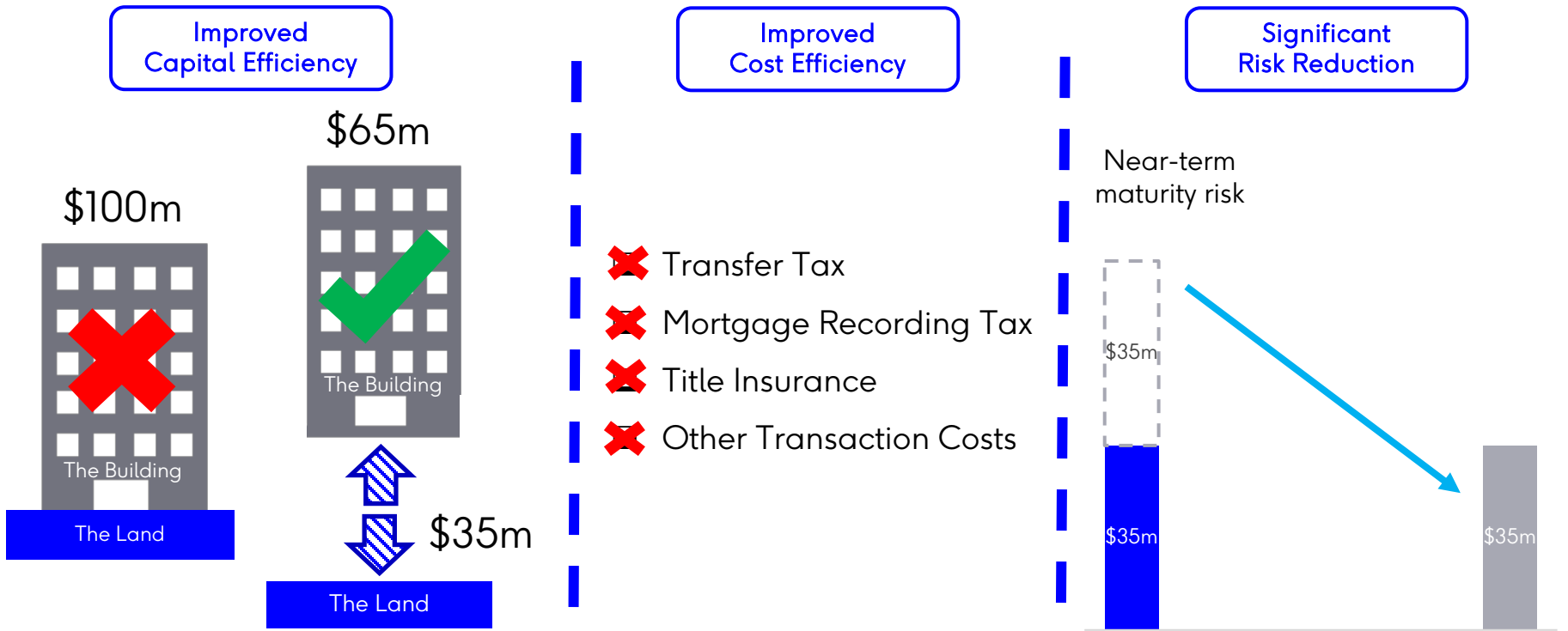
(1) SAFE mark-to-market is based on the May 26, 2020 stock price of \$53.79 with 33.4m shares and March 31, 2019 stock price of \$21.81 with 20.3m shares and OP units.

(2) Based on SAFE's Q1 '20 total shareholder return of 58%.

Safehold: A Better, More Efficient Solution

I. Scale Safehold

Making ground leases *modern, efficient, and value-enhancing* for building owners



Much like equity and debt, building and land should be capitalized as discrete investments

<u>Building Investment</u>	vs.	<u>Land Investment</u>
5 to 10 year hold	vs.	99 year hold
Active management	vs.	Passive management
Higher ROE asset	vs.	Lower ROE asset

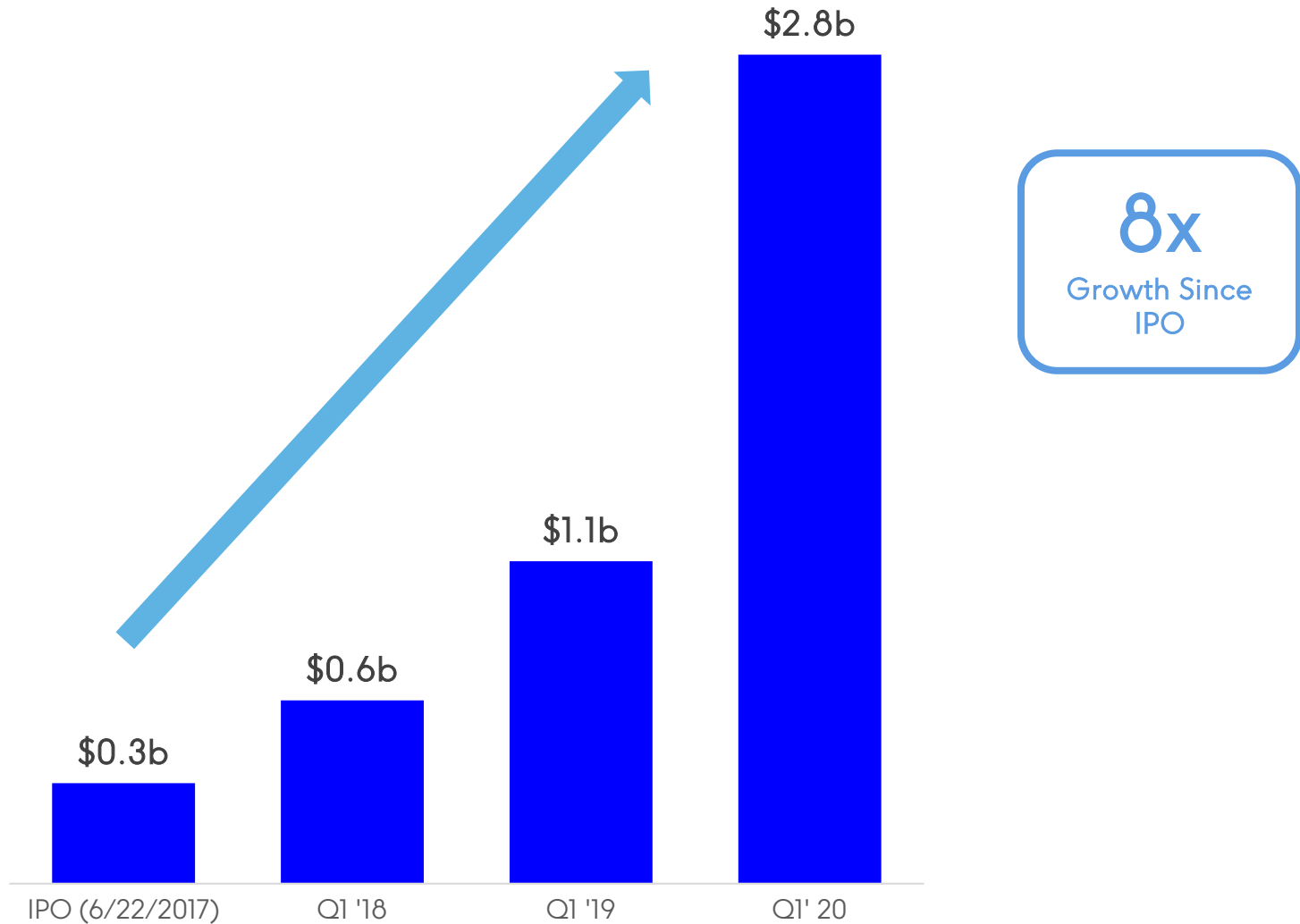
Reduces friction costs associated with selling real estate by giving one-third of capital a long-term structure of up to 99 years

Eliminates debt maturity risk on a large portion of building owner's capital structure by replacing it with near-permanent capital



Safehold Portfolio Growth

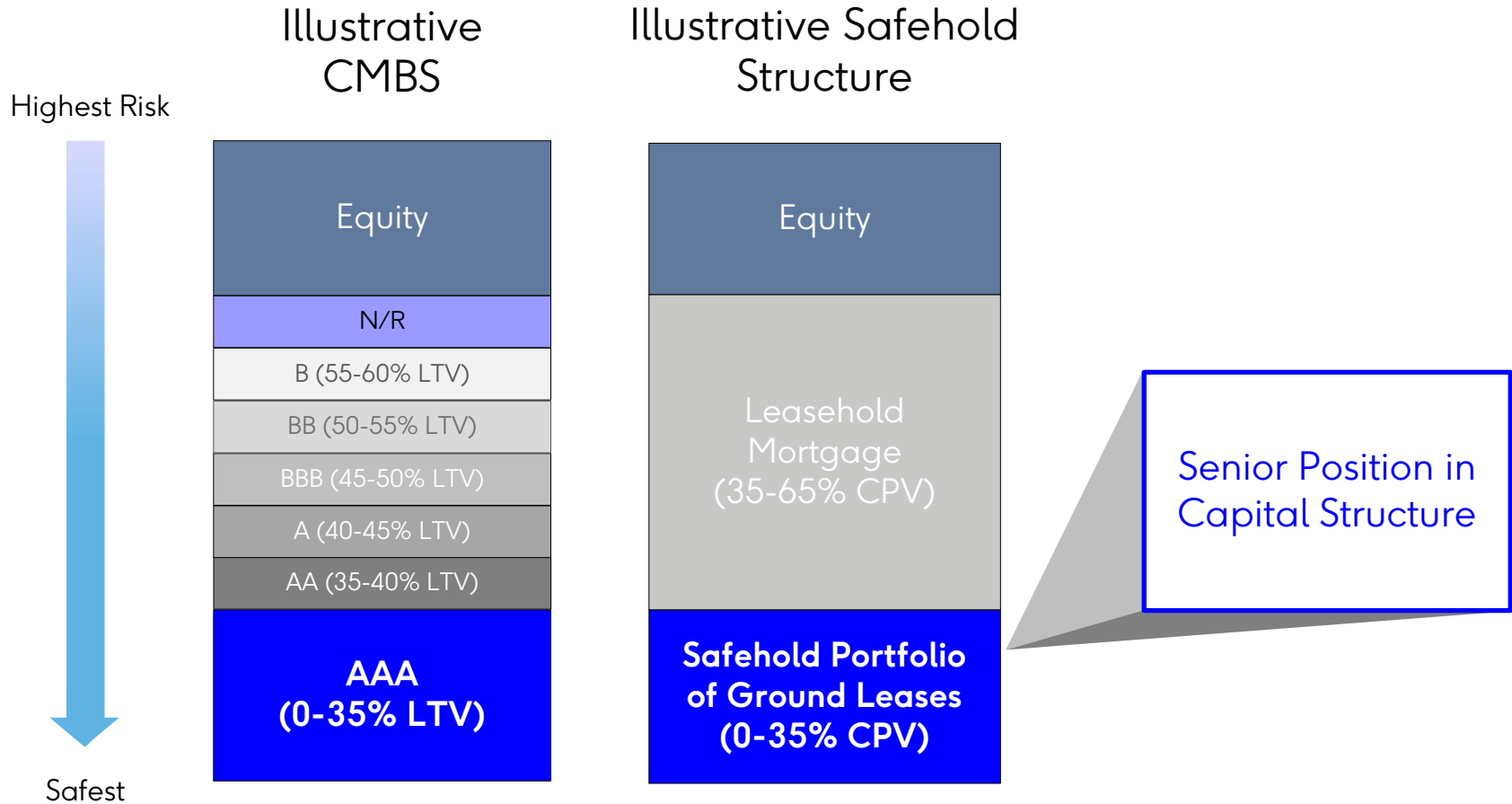
I. Scale Safehold



Note: Please see the "Important Note re COVID-19" in the front of this presentation for a statement about metrics. Refer to Appendix for Portfolio Reconciliation.
(1) See Appendix for reconciliation.

Superior Principal Safety

I. Scale Safehold



Note: Safety and seniority derived from typical structure of a Ground Lease under which landlord has a residual right to regain possession of land and take ownership of the building and improvements thereon upon a tenant default the landlord's residual right provides strong incentive for a Ground Lease tenant or its leasehold lender to make the required ground lease payments. Additionally, Combined Property Value typically significantly exceeds ground lease landlord's investment, providing protection against loss.

Attractive Return vs. Comparable Bond

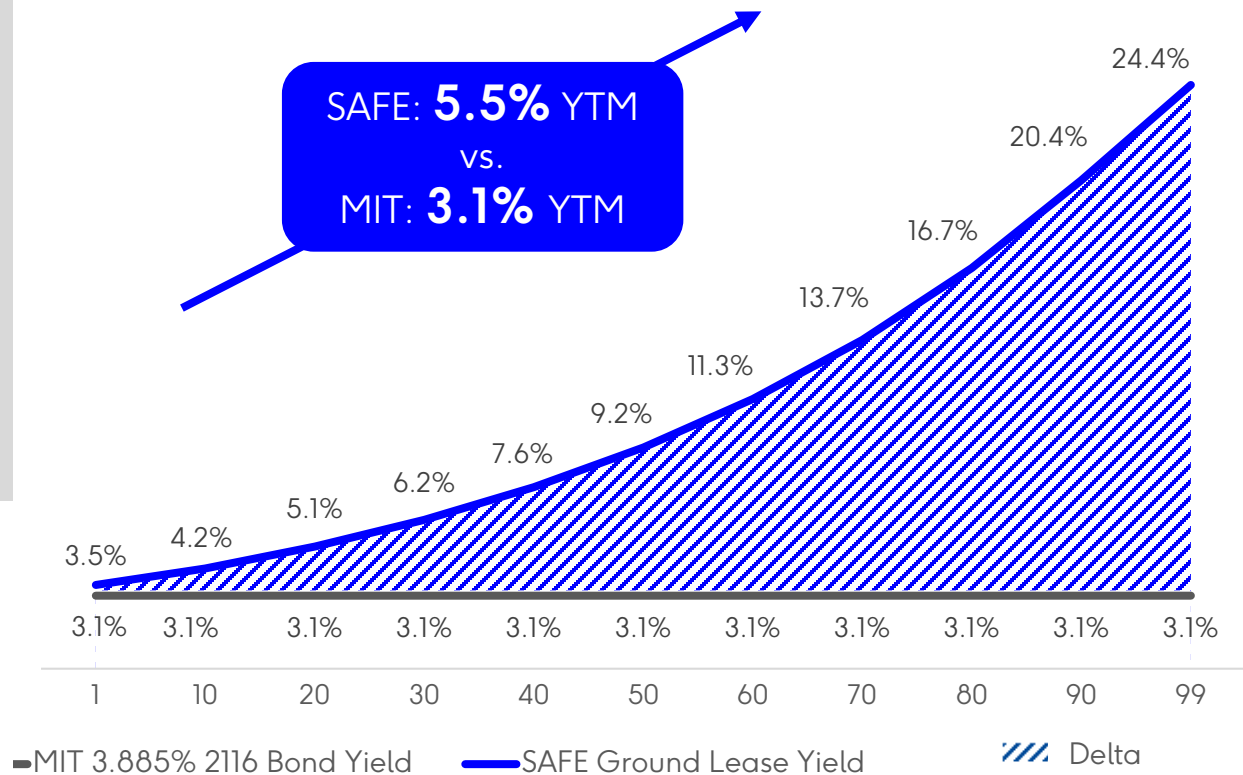
I. Scale Safehold

Portfolio with contractual rent increases creates long-term compounding cash flows that generate superior returns versus similar risk and similar maturity fixed income securities

Ground Lease vs. 100-Year MIT Bond

Why Compare to a 100-Year MIT bond?

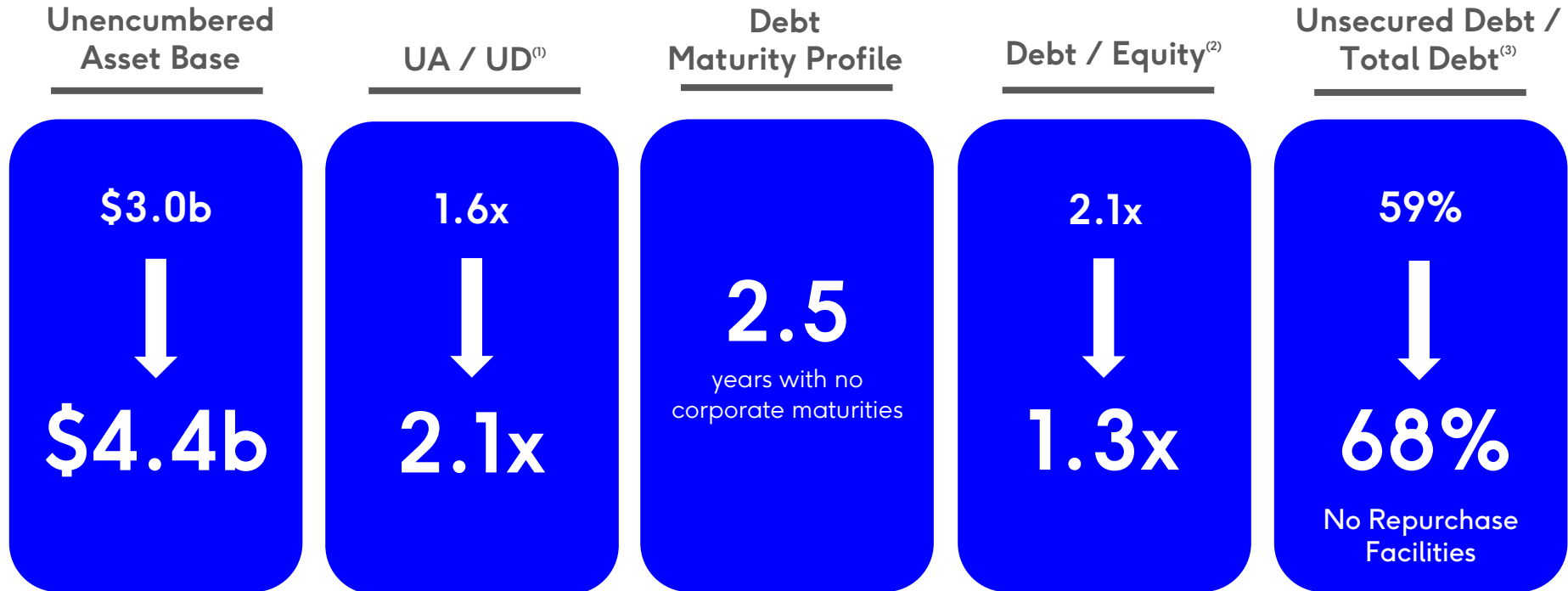
- ❑ Best benchmark for long-dated AAA cash flows
- ❑ 43 entities have issued 100-year bonds since 2000, but only MIT is AAA rated



Note: Illustrative example of a 99-year Safehold™ Ground Lease with 2.0% annual rent growth and a year one cash rate of 3.5%. Massachusetts Institute of Technology 2116 unsecured AAA-rated bonds trade at a yield to maturity of 3.12% as of 5/26/20.

Strong Balance Sheet with Improving Credit Metrics

II. Strengthen Balance Sheet (Q1 '19 to Q1 '20)



Note: Figures are presented using SAFE mark-to-market calculation based on May 26, 2020 of \$53.79 per share with 33.4m shares and the March 31, 2019 stock price of \$21.81 with 20.3m shares and OP units. Presented pro forma for the \$300m revolver repayment subsequent to the end of the first quarter.

(1) Pro forma adjustment is different than the calculation of unsecured assets / unsecured debt under our unsecured bond indentures.

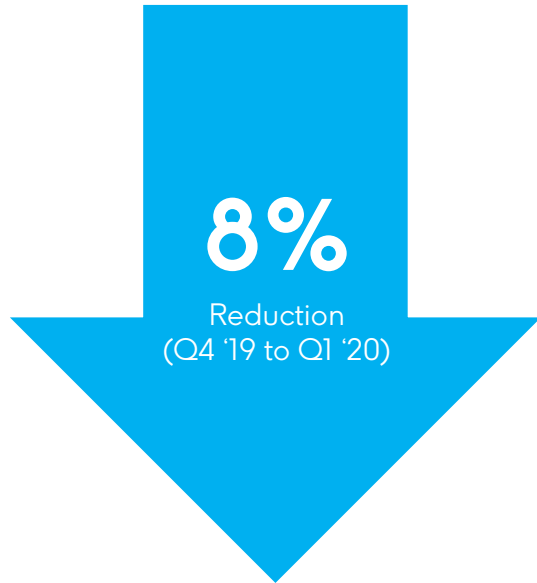
(2) Debt, net of cash and adjusted total equity are presented gross of NCI.

(3) Includes only iStar's share of NLJV I debt.



Legacy Asset Progress

III. Simplify Business



\$88m

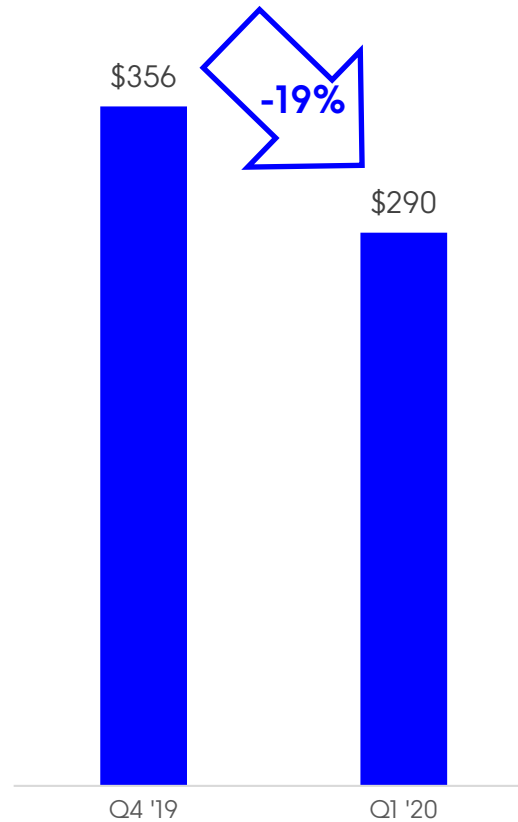
Proceeds from Sales

\$3m

Gains from Sales

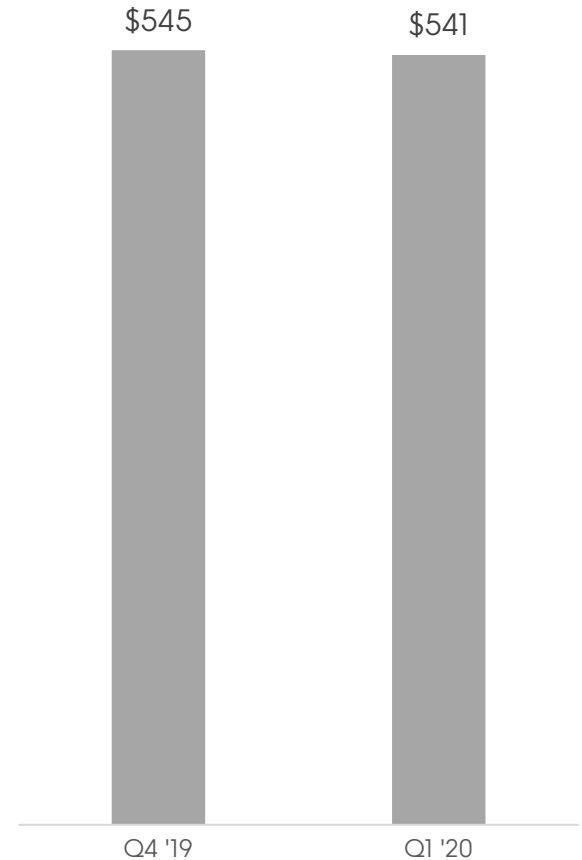
Short-Term Balance

- Monetizing and recycling proceeds into ground lease business



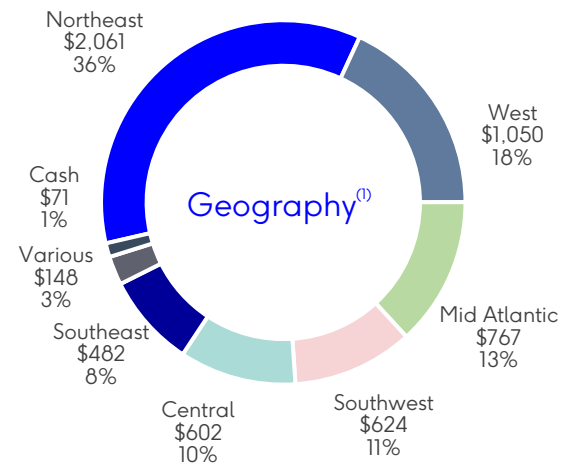
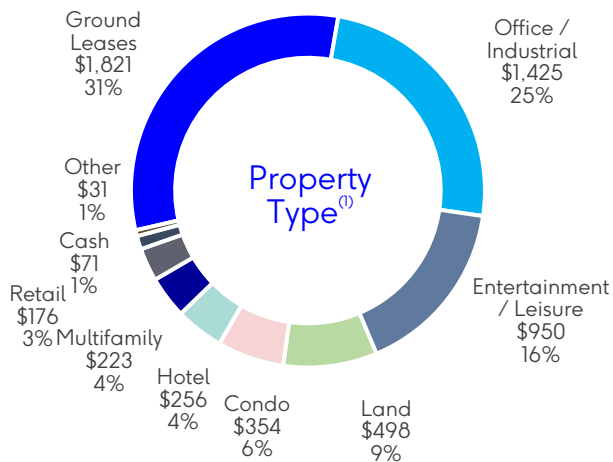
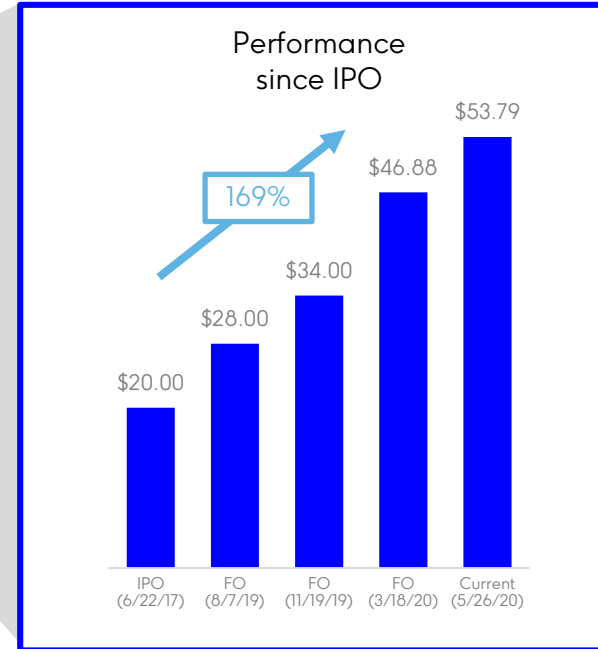
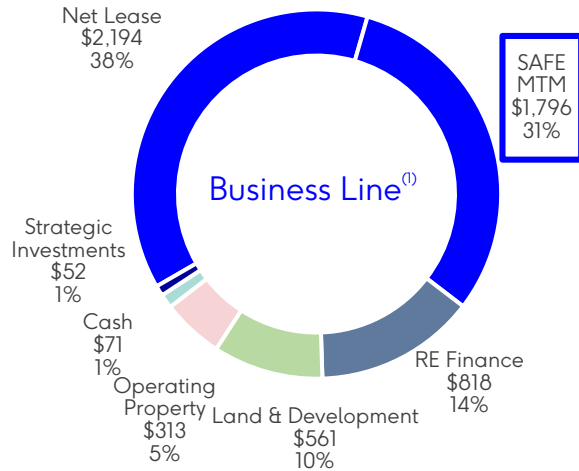
Long-Term Balance

- Intent to further develop



Note: Figures in millions.

\$5.8b Diversified Portfolio



Note: \$ in millions unless otherwise specified. Figures based on Gross Book Value of the Company's total investment portfolio and includes 100% of the assets of iStar's consolidated joint ventures and the carrying value of iStar's investment in non-consolidated joint ventures and affiliates.

(1) Includes cash presented pro forma for the \$300m revolver repayment subsequent to the end of the quarter. SAFE is presented at market value based on the May 26, 2020 stock price of \$53.79 per share with 33.4m shares.

(2) Excludes one remaining pre-existing legacy nonperforming loan.

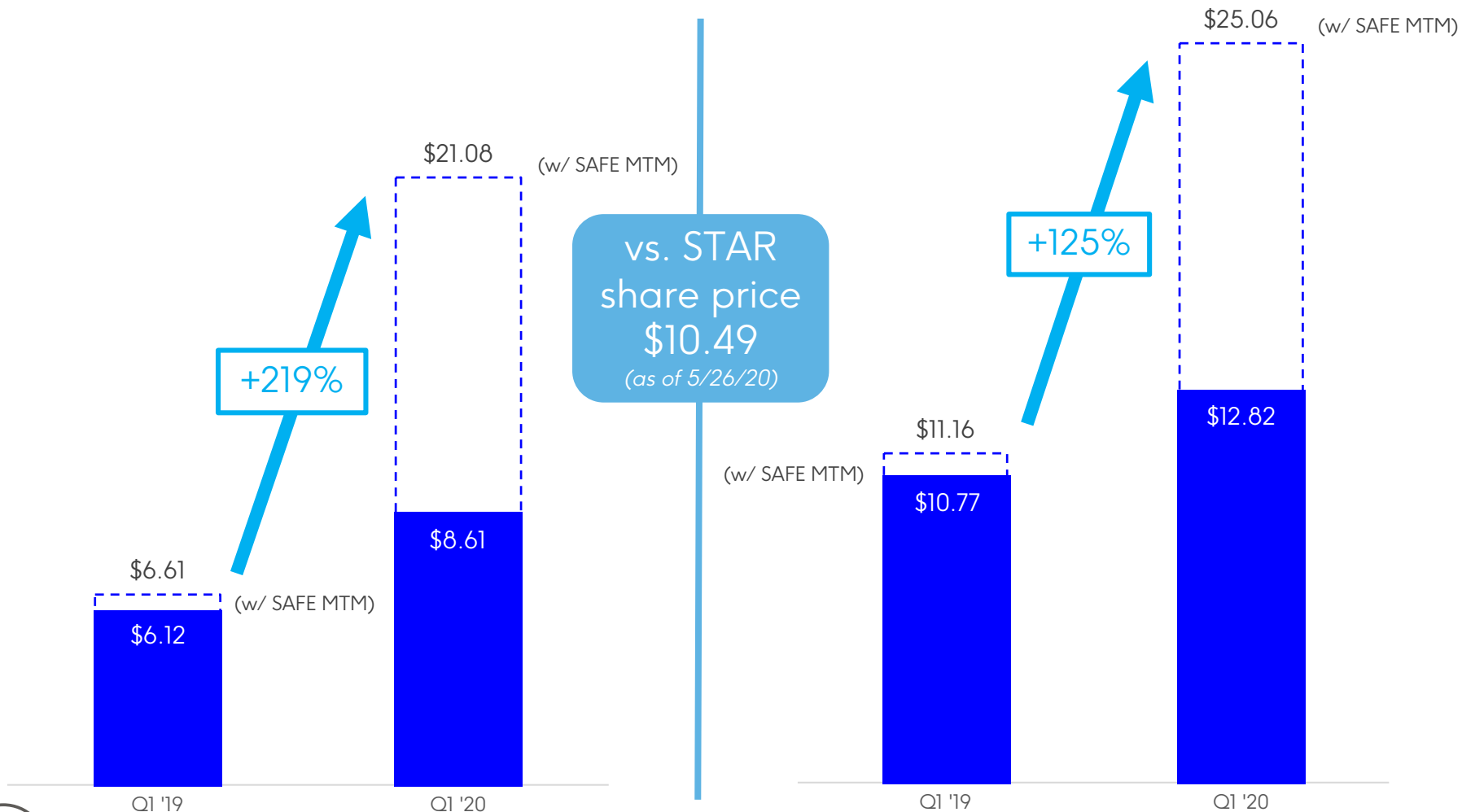
STAR's Equity Value per Share

Common Equity per Share⁽¹⁾

(Net of Depreciation, Amortization and CECL Allowance)

Adj. Common Equity per Share⁽¹⁾

(Gross of Depreciation, Amortization and CECL Allowance)



Note: SAFE mark-to-market is based on the May 26, 2020 stock price of \$53.79 with 33.4m shares and the March 31, 2019 stock price of \$21.81 with 20.3m shares and OP units. Please refer to the "Adjusted Common Equity Reconciliation" section of the Appendix for more information.

(1) 2019 amounts are presented diluted for Series J Convertible Preferreds which were converted into 16.5m shares of common stock as of December 20, 2019.



Appendix

Capital Structure Overview

As of 3/31/20

Credit Metrics	3/31/20	SAFE MTM ⁽¹⁾
Cash	\$371m	\$371m
Debt, net of cash	\$3,212m	\$3,212m
Total Equity, gross of NCI	\$1,160m	\$2,122m
Adj. Total Equity, gross of NCI	\$1,509m	\$2,453m
Leverage ⁽²⁾	2.1x	1.3x

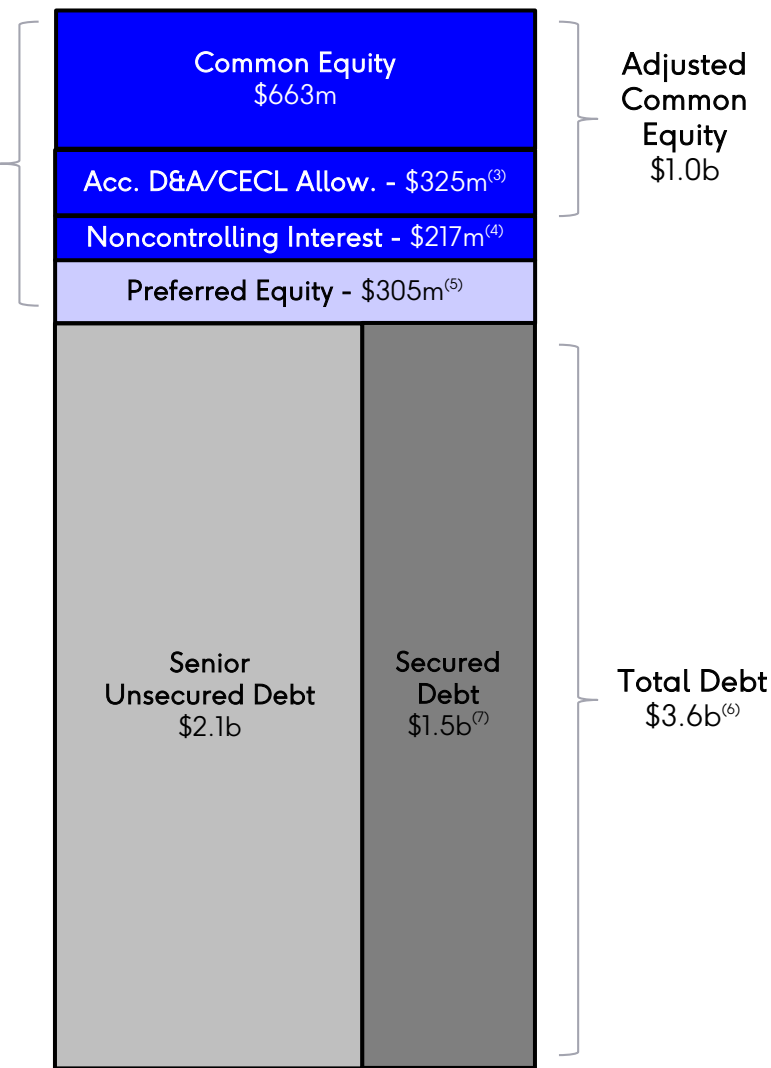
Shares

Shares Outstanding (Basic)	77.1m	77.1m
Common Equity	\$663m	\$1,625m
Book Equity per Share	\$8.61	\$21.08
Adjusted Common Equity	\$988m	\$1,931m
Adj. Book Equity per Share	\$12.82	\$25.06

Liquidity

Cash	\$371m	\$371m
Revolving Credit Facility Availability ⁽⁸⁾	\$50m	\$50m
Total Liquidity	\$421m	\$421m

Adjusted
Total Equity
\$1.5b



Note: Please refer to the "Adjusted Common Equity Reconciliation" section of the Appendix for more information.

(1) SAFE mark-to-market calculations based on May 26, 2020 of \$53.79 per share with 33.4m shares.

(2) Corporate leverage is the ratio of total debt less cash and cash equivalents divided by Adjusted Total Equity, gross of NCI.

(3) Includes accumulated depreciation, amortization, CECL allowance, and iStar's proportionate share of accumulated depreciation and amortization relating to equity method investments.

(4) Includes \$25m of the proportionate share of accumulated depreciation and amortization relating to noncontrolling interests.

(5) Represents liquidation preference of preferred equity.

(6) Debt is presented net of fees and discounts.

(7) Includes \$487m of consolidated, asset-specific non-recourse mortgage debt of Net Lease Venture I.

(8) Revolver fully repaid with cash on hand subsequent to the end of the quarter.



Adjusted Common Equity Reconciliation

	As of March 31, 2020	As of March 31, 2019
Total shareholders' equity	\$968,118	\$810,371
Less: Liquidation preference of preferred stock	(305,000)	(505,000) ⁽²⁾
Common shareholders equity	\$663,118	\$305,371
Add: Accumulated depreciation and amortization ⁽¹⁾	267,523	349,656
Add: Proportionate share of depreciation and amortization within equity method investments	32,708	21,561
Add: CECL allowance <i>(March 31, 2019 balance represents general reserves)</i>	24,610	12,410
Adjusted common equity	\$987,959	\$688,998
Common shares outstanding – basic	77,059	66,061
Common shares outstanding – pro forma Series J conversion	77,059	82,561
Common equity per share	\$8.61	\$4.62
Common equity per share diluted for Series J convertible preferreds	\$8.61	\$6.12
Common equity per share diluted for Series J convertible preferreds with SAFE MTM	\$21.08	\$6.61
Adjusted common equity per share	\$12.82	\$10.43
Adjusted common equity per share diluted for Series J convertible preferreds	\$12.82	\$10.77
Adjusted common equity per share diluted for Series J convertible preferreds with SAFE MTM	\$25.06	\$11.16

Note: Amounts in thousands, except for per share data. SAFE mark-to-market based on the May 26, 2020 stock price of \$53.79 with 33.4m shares and March 31, 2019 stock price of \$21.81 with 20.3m shares and OP units. We use adjusted common equity, a non-GAAP financial measure, as a supplemental measure to give management a view of equity allocable to common shareholders prior to the impact of certain non-cash GAAP measures. Management believes that adjusted common equity provides a useful measure for investors to consider in addition to total shareholders equity because cumulative effect of depreciation and amortization expenses and CECL allowances calculated under GAAP may not necessarily reflect an actual reduction in the value of the Company's assets. Adjusted common equity should be examined in conjunction with total shareholders' equity as shown on the Company's consolidated balance sheet. Adjusted common equity should not be considered an alternative to total shareholders' equity (determined in accordance with GAAP), nor is adjusted common equity indicative of funds available for distribution to shareholders. It should be noted that our manner of calculating adjusted common equity may differ from the calculations of similarly-titled measures by other companies.

(1) Net of amounts allocable to non-controlling interests and includes accumulated depreciation and amortization associated with real estate available and held for sale.

(2) Includes \$200.0m of liquidation preference attributable to our Series J convertible preferred shares which were converted in the fourth quarter of 2019.



Safehold Portfolio Reconciliation

	IPO (6/22/17)	3/31/18	3/31/19	3/31/20
Net investment in Sales-Type Leases	-	-	\$129	\$1,029
Ground Lease receivables, net	-	-	-	\$422
Pro-rata interest in Sales-Type Leases held as equity method investments	-	-	-	\$342
Real estate, net (Operating Leases)	\$265	\$451	\$661	\$670
Add: Accumulated depreciation	1	6	12	18
Add: Lease intangible assets, net	123	184	237	241
Add: Accumulated amortization	1	5	11	18
Add: Other assets	-	-	25	24
Less: Lease intangible liabilities, net	(51)	(58)	(58)	(57)
Less: Non-controlling interest	-	(2)	(2)	(2)
Gross Book Value	\$339	\$585	\$1,015	\$2,705
Forward Commitments	-	34	74	96
Aggregate Gross Book Value	\$339	\$619	\$1,089	\$2,800
Less: Accruals to net investment in leases and ground lease receivables	-	-	-	(15)
Aggregate Cost Basis	\$339	\$619	\$1,089	\$2,785

Note: \$ in millions. Figures in the reconciliation table may not foot due to rounding.



Glossary

Funding / Capex <i>(Net Lease, Operating Properties, Land & Development)</i>	Acquisition price, capitalized acquisition costs, capital expenditures, contributions to equity method investments, capitalized payroll and capitalized interest.
Funding / Capex <i>(Real Estate Finance)</i>	Cash funded on loans, plus deferred interest capitalized to the loan balance, exclusive of original issued discount, origination and arrangement fees held back at origination.
Gross Book Value <i>(Net Lease, Operating Properties, Land & Development)</i>	Basis assigned to physical real estate property (land & building), net of any impairments taken after acquisition date and net of basis reductions associated with unit / parcel sales, plus our basis in equity method investments, plus lease related intangibles, capitalized leasing costs and excluding accumulated depreciation and amortization, and for equity method investments, excluding the effect of our share of accumulated depreciation and amortization.
Gross Book Value <i>(Real Estate Finance)</i>	Principal funded including any deferred capitalized interest receivable, plus protective advances, exit fee receivables and any unamortized origination / modification costs, less purchase discounts and specific reserves. This amount is not reduced for general reserves (prior to 2020), or CECL allowances (beginning in 2020).
Net Book Value <i>(Net Lease, Operating Properties, Land & Development)</i>	Gross Book Value net of accumulated depreciation and amortization.
Net Book Value <i>(Real Estate Finance)</i>	Gross Book Value for Real Estate Finance less general reserve for loan loss (prior to 2020) and CECL allowances (beginning in 2020).
Net Operating Income	Operating lease income and other income less operating expenses.
Proceeds <i>(Net Lease, Operating Properties, Land & Development)</i>	Includes sales price for assets sold, less selling costs, less seller financing plus return of capital and distributed proceeds arising from sales within our equity method investments.
Proceeds <i>(Real Estate Finance)</i>	Collection of principal, deferred and capitalized interest, exit fees, origination fees previously netted against principal at inception, or original issue discount. Includes proceeds from sales of securities.
Yield <i>(Net Lease)</i>	Calculated as Net Operating Income for the quarter, annualized, divided by the average Gross Book Value during the period.
Yield <i>(Real Estate Finance)</i>	Interest income, for the quarter, annualized, divided by the average Gross Book Value of Real Estate Finance.

Disclaimer: Set forth in the Glossary are the current definitions of certain items that we use in this presentation. This Glossary is intended to facilitate a reader's understanding of this presentation. There can be no assurance that we will not modify these terms in future presentations as we deem necessary or appropriate.

