



# Corporate Presentation

November 2020

Note: Figures in the presentation are as of 9/30/20, 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 September 30, 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 and Form 10-Q.

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:** Readers of this presentation are cautioned that, due to the uncertainty created by the COVID-19 pandemic, our results for the 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 September 30, 2020 when it is filed with the SEC for a more fulsome discussion of our quarterly 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.



## Investor Relations Contact

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# iStar Strategy Announced Two Years Ago

Since the strategy shift announcement at the beginning of 2019, iStar has made significant progress on its goals.

## Scale Safehold

**\$2.0b**

Ground Lease Investments  
Made by Safehold Since  
December 2018<sup>(1)</sup>

**#1**

Top Performing  
Publicly-Traded REIT  
Since 12/31/18<sup>(2)</sup>

## Strengthen Balance Sheet

**BB/Ba3/BB-**

Positive Actions by All Three  
Rating Agencies Since  
December 2018

**~2 Years**

with No Corporate Maturities

## Simplify Business

**13%**

Legacy Assets Remaining  
as % of Portfolio

**\$376m**

Legacy Asset  
Sales Proceeds  
Since December 2018

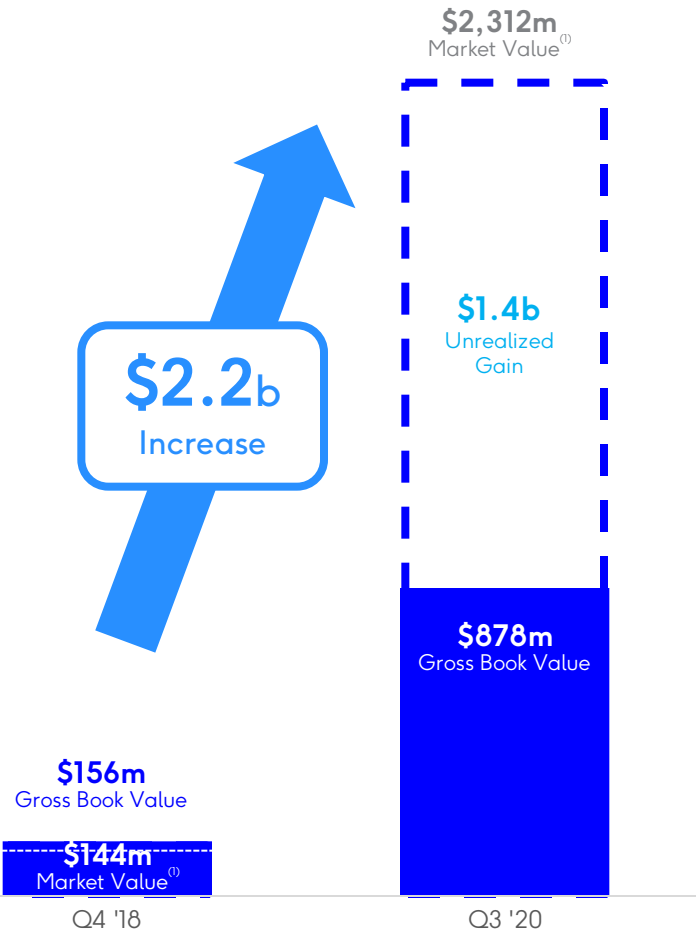


(1) Includes \$79m ground leases closed by Safehold subsequent to the end of Q3 '20.

(2) Based on SAFE's total shareholder return of 264% from 12/31/18 to 11/13/20 vs. companies within the FTSE Nareit Composite Index (source: Factset).

# Safehold Highlights

## Investment in Safehold



**100%**

Ground Rent  
Received

**\$3.0b**

Safehold Ground  
Lease Portfolio

**\$501m**

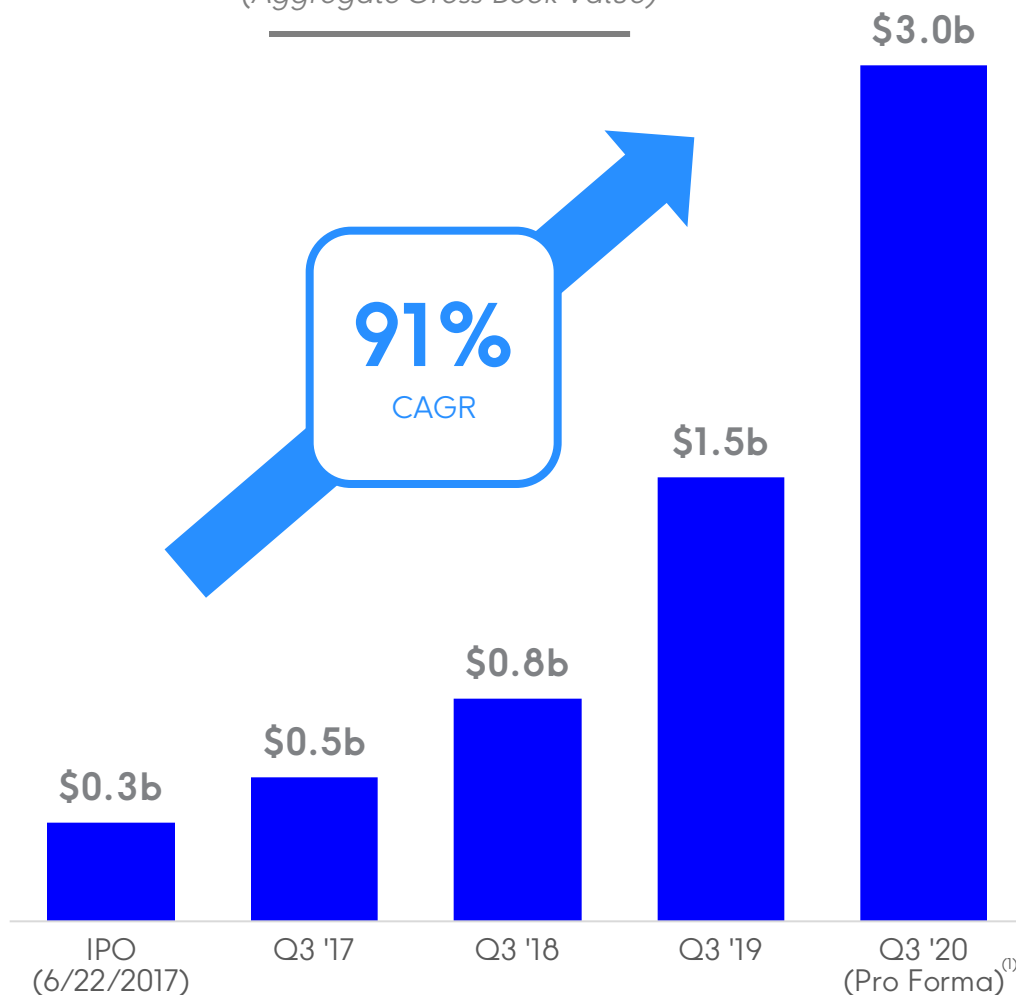
Signed LOIs

**67%**

Total Shareholder  
Return YTD  
(As of 11/13/20)

# Strong SAFE Portfolio Growth

## Safehold Portfolio (Aggregate Gross Book Value)



## A Better CRE Customer Solution

Improved  
Capital Efficiency

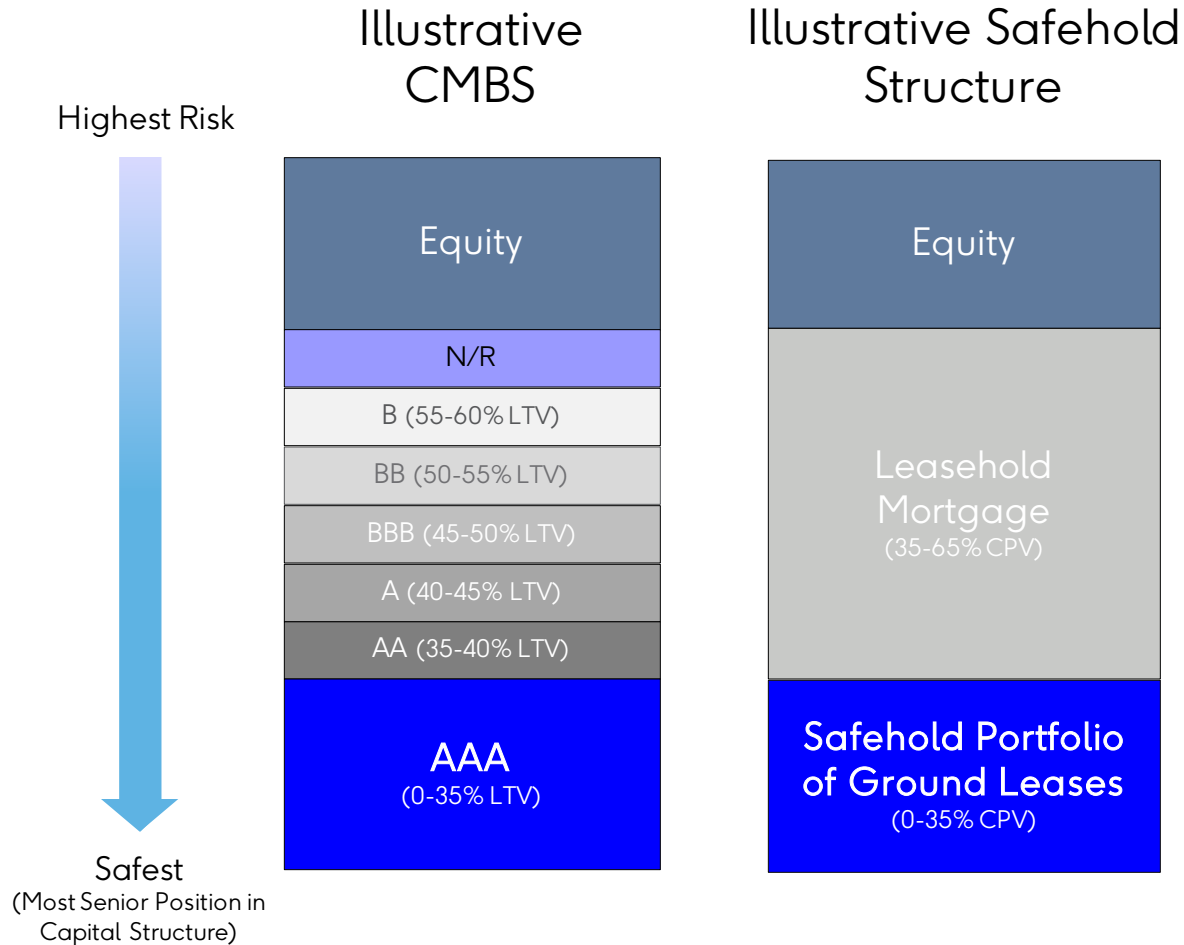
Improved  
Cost Efficiency

Significant  
Risk Reduction



(1) Pro forma statistics include \$79m of ground leases closed subsequent to the end of Q3 '20.

# SAFE Principal Safety



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.

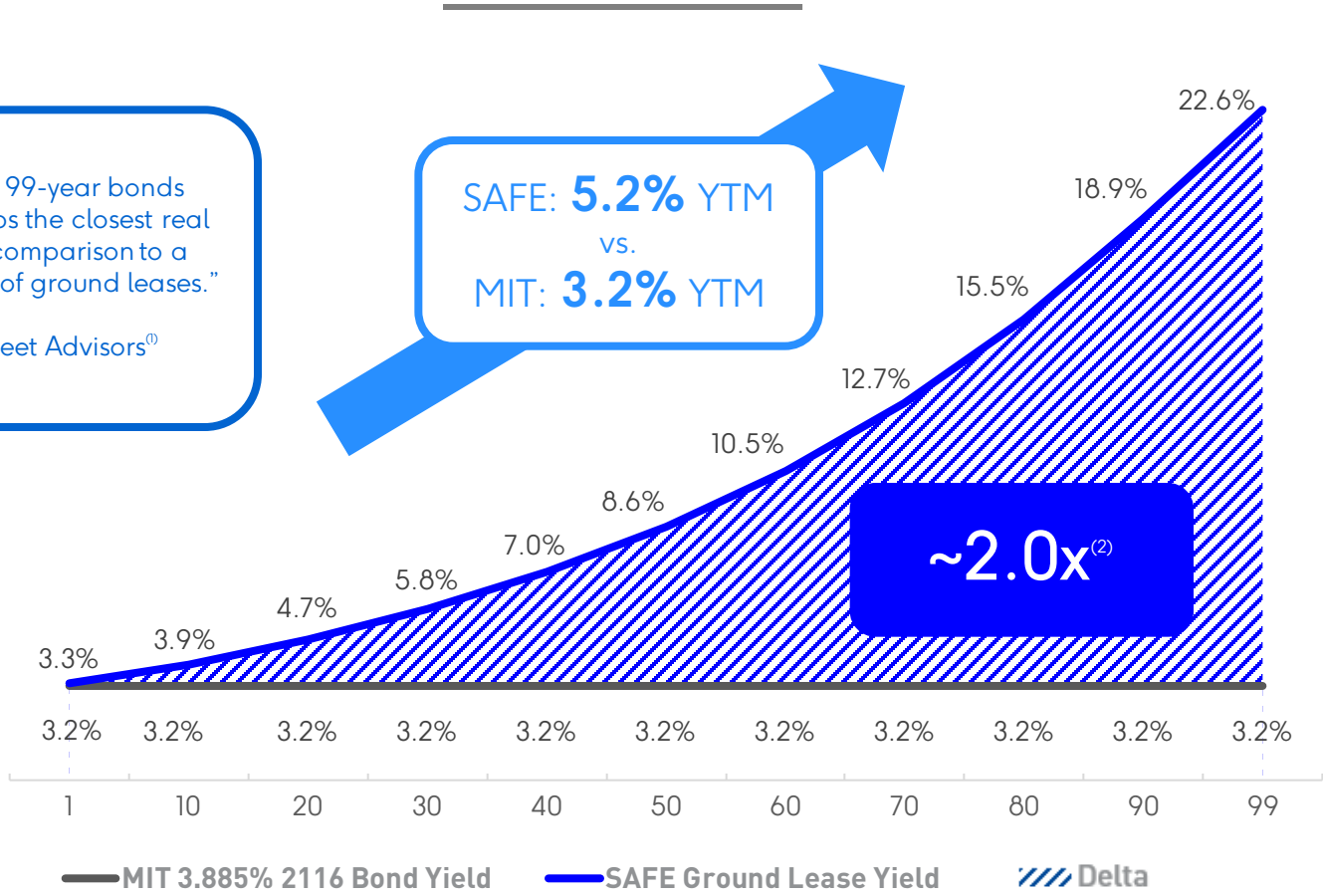
# Attractive Returns vs. Bond Comparison

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

## Illustrative Ground Lease vs. 100-Year MIT Bond

“High quality 99-year bonds provide perhaps the closest real time pricing comparison to a diversified pool of ground leases.”  
- Green Street Advisors<sup>(1)</sup>

SAFE: **5.2% YTM**  
vs.  
MIT: **3.2% YTM**



**~2.0x<sup>(2)</sup>**



Note: Illustrative example of a 99-year Safehold™ Ground Lease with 2.0% annual rent growth and a year one cash rate of 3.25%. Massachusetts Institute of Technology 2116 unsecured AAA-rated bonds trade at a yield to maturity of 3.20% as of 11/13/20.  
 (1) Comparing a portfolio of ground leases to a high-quality 99-year bond is a shortcut methodology for yield discovery and only indicates a range of reasonable possibilities. The full Green Street methodology examines the pricing for CMBS securities making adjustments for duration, diversification and increasing lease payments.  
 (2) An illustrative newly originated Safehold ground lease meeting our yield to maturity target as the net present value of the cash flows (discounted using the Massachusetts Institute of Technology 2116 unsecured AAA-rated bonds trading at a yield to maturity of 3.20% as of 11/13/20) divided by our initial investment in the lease.

# Strong Balance Sheet with Improving Credit Metrics

(Q4 '18 to Q3 '20)

In Q3 '20, issued \$400m of New Senior Notes due February 2026 and redeemed \$400m of Senior Notes due September 2022

**Unencumbered  
Asset Base**

**\$3.4b**

improved to

**\$4.8b**

**UA / UD**

**1.5x**

improved to

**2.3x**

**Debt  
Maturity Profile**

**20**

Months with No  
Corporate Maturities

**Leverage<sup>(1)</sup>**

**1.9x**

improved to

**1.1x**

**Unsecured Debt /  
Total Debt<sup>(2)</sup>**

**65%**

improved to

**68%**



Note: Figures are presented using the SAFE mark-to-market value of iStar's investment in Safehold. Q3 '20 market value is \$2,312m, calculated as iStar's ownership of 34.7m shares of SAFE at the November 13, 2020 closing stock price of \$66.50. Q4 '18 market value is \$144m calculated as iStar's ownership of 7.6m shares of SAFE at the December 31, 2018 closing stock price of \$18.81.

(1) Leverage is calculated using debt, net of cash and adjusted total equity presented gross of non-controlling interests, or "NCI". Please refer to the "Capital Structure Overview" section of the presentation for more information.

(2) Includes only iStar's share of Net Lease Venture I debt.



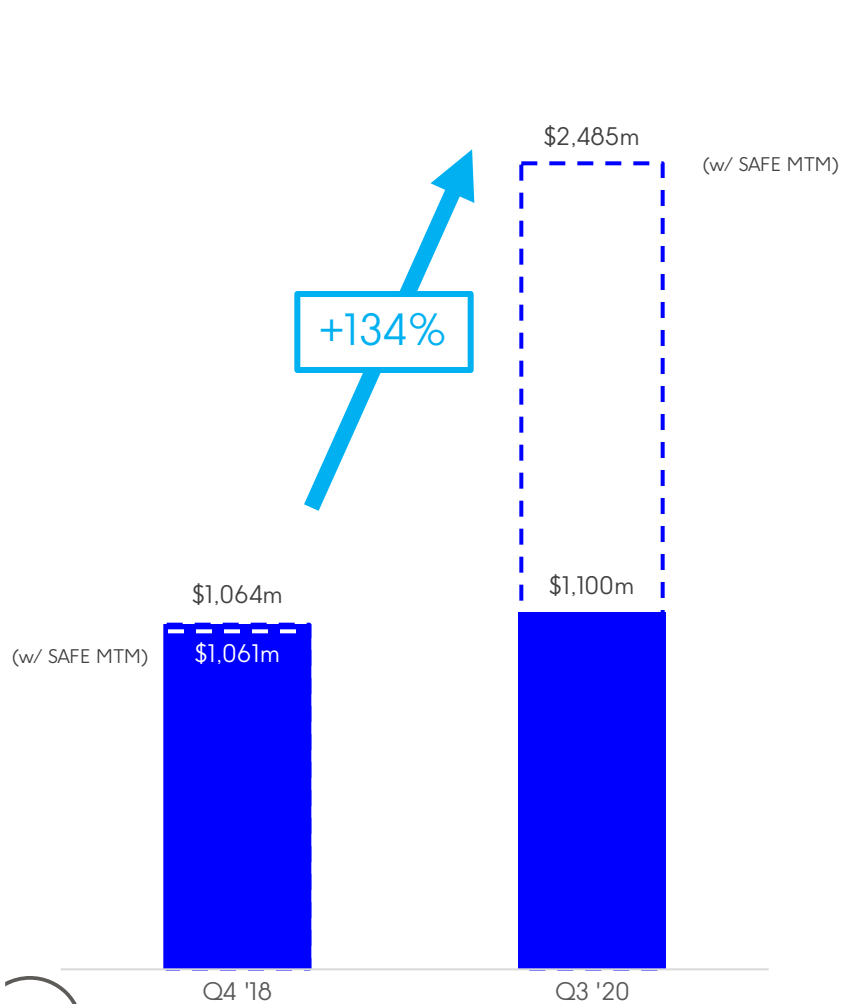
# iStar Sum of the Parts

Safehold (NYSE: SAFE)	\$2.3b	Market	34.7m shares @ \$66.50 as of 11/13/20
Net Lease	\$2.3b	Gross Book Value	W.A. Yield 7.9%
Loans	\$0.7b	Par	Net of Specific Reserves, Performing Loan W.A. LTV 63%, Performing Loan W.A. Yield 7.6%
Legacy (Short-Term)	\$0.3b	Gross Book Value	24 Assets, \$12m avg. size
Legacy (Long-Term)	\$0.5b	Gross Book Value	Asbury Park, Magnolia Green, Grand Vista
Strategic Investments	\$0.1b	Gross Book Value	Strategic Corporate & Non-Legacy Operating Properties
Other Balance Sheet Items, Net	(\$0.1b)	Carrying Value	Net Working Capital & Other
<b>Total</b>	<b>\$6.1b</b>		
Less: Debt	\$3.3b		
<b>Adj. Total Equity Value</b>	<b>\$2.8b</b>		

# iStar's Growing Equity Value

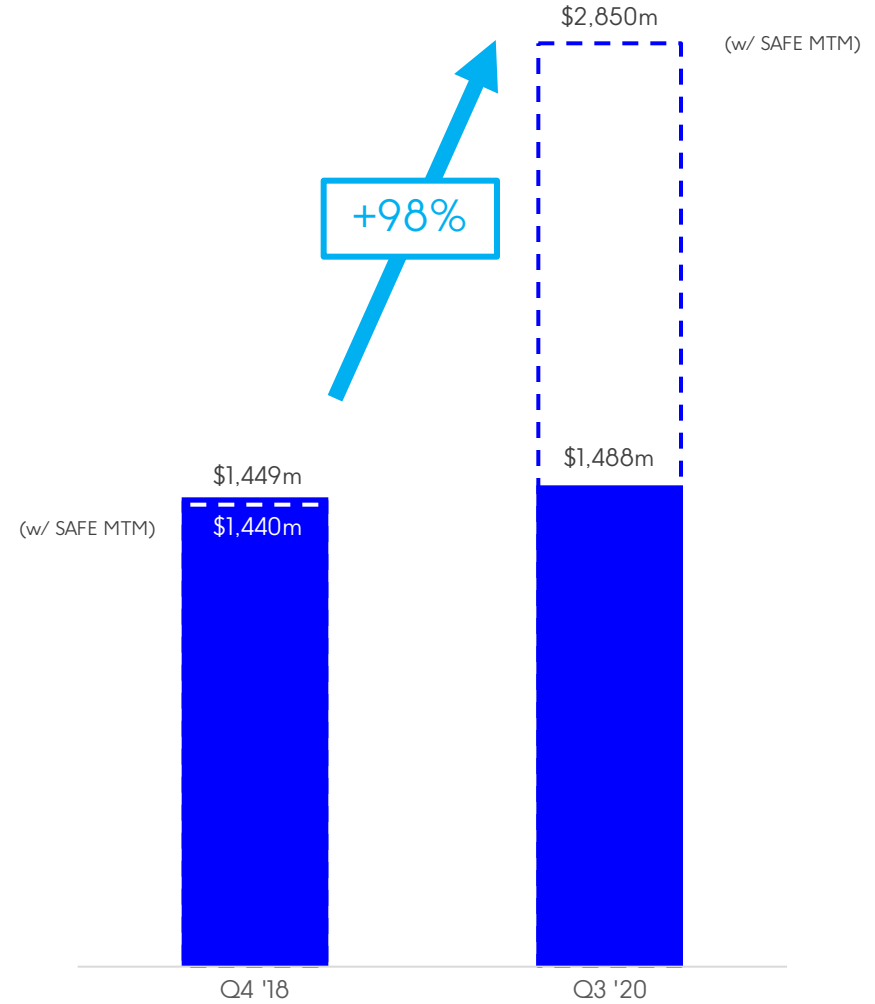
## Total Equity

(Includes common and preferred equity.  
Net of GAAP depreciation, amortization and CECL allowance)



## Adjusted Total Equity

(Includes common and preferred equity.  
Gross of depreciation, amortization and CECL allowance)

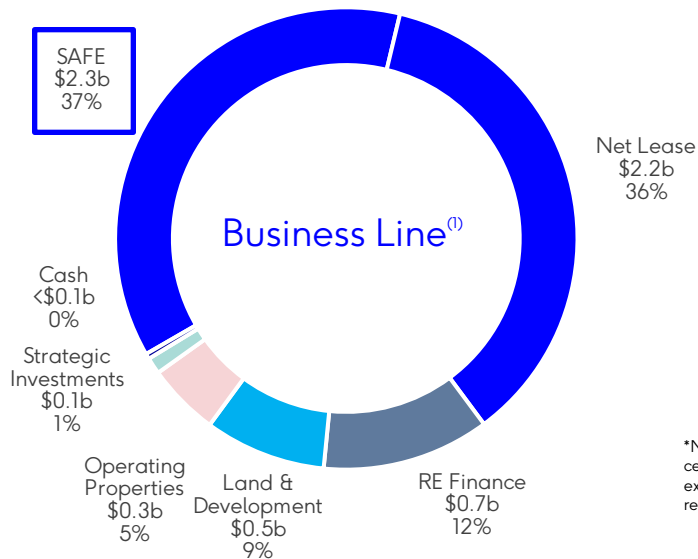


Note: Please refer to the "Adjusted Total Equity Reconciliation" slide in the Appendix for more information. Q3 '20 market value is \$2,312m, calculated as iStar's ownership of 34.7m shares of SAFE at the November 13, 2020 closing stock price of \$66.50. Q4 '18 market value is \$144m calculated as iStar's ownership of 7.6m shares of SAFE at the December 31, 2018 closing stock price of \$18.81.



# Appendix

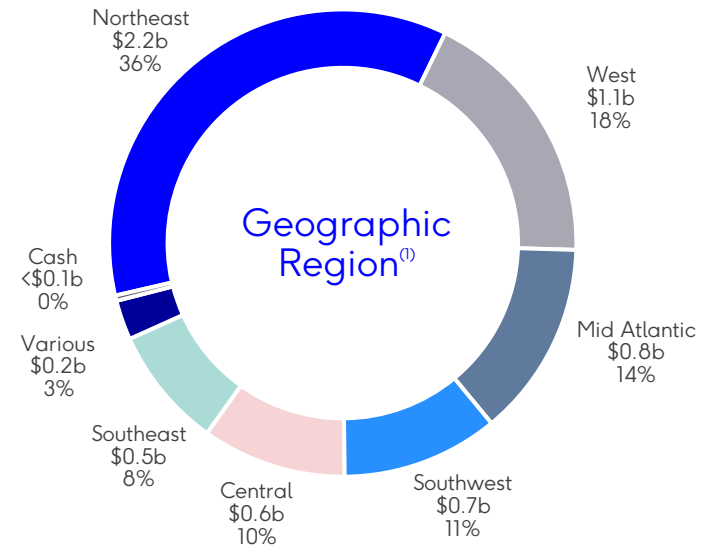
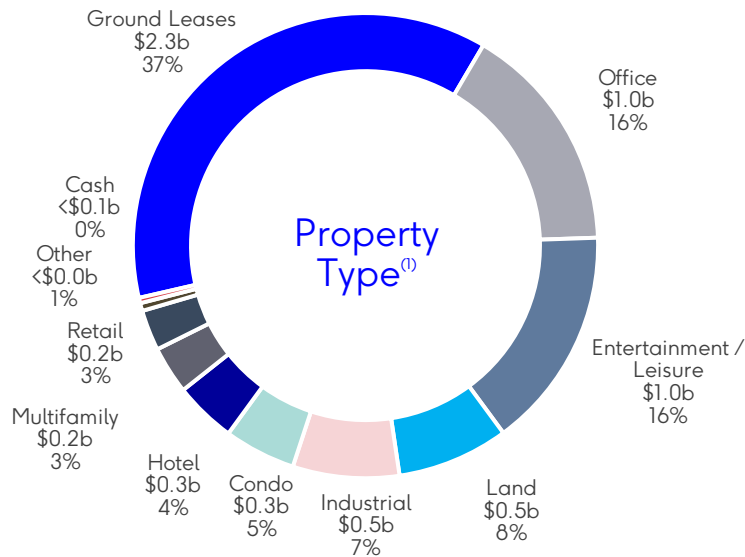
# Diversified Portfolio



## Cash Rent Collections

Business	Q3 '20
SAFE	100%
Net Lease (Incl. Bowlero Agreement)*	98%
RE Finance <sup>(2)</sup>	92%
Operating Properties	80%

\*Note: In Q2 '20, the Company agreed with Bowlero to apply \$10m of cash proceeds that iStar received from recent sales of bowling centers that were subject to the iStar-Bowlero master leases to cover \$10m of rent otherwise payable over the following months. In exchange, iStar terminated its commitment under the master leases to purchase \$10m of new bowling centers or to reduce Bowlero's rent if new centers were not acquired.



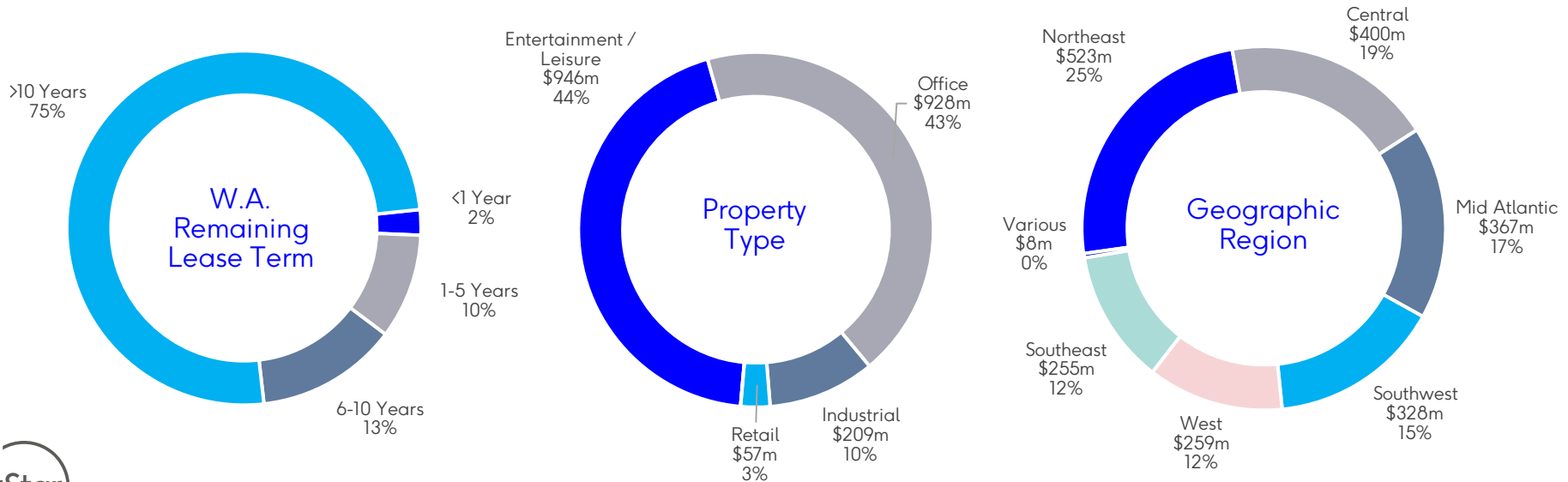
Note: Figures based on Gross Book Value of the Company's total investment portfolio and includes 100% of the assets of iStar's consolidated joint ventures and the carrying value of iStar's investment in non-consolidated joint ventures and affiliates.

(1) SAFE market value is calculated as iStar's ownership of 34.7m shares of SAFE at the November 13, 2020 closing stock price of \$66.50.

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

# Net Lease Consolidated Assets

	Wholly-Owned <i>(100% Ownership)</i>	Net Lease Venture I <i>(51.9% Ownership)</i>	Total Consolidated
Gross Book Value	\$1,234m	\$906m	\$2,140m
Occupancy	97.8%	100.0%	98.6%
Square Feet (000s)	9,998	5,707	15,705
W.A. Remaining Lease Term	15.2 yrs	16.2 yrs	15.6 yrs
W.A. Yield	7.4%	8.0%	7.7%

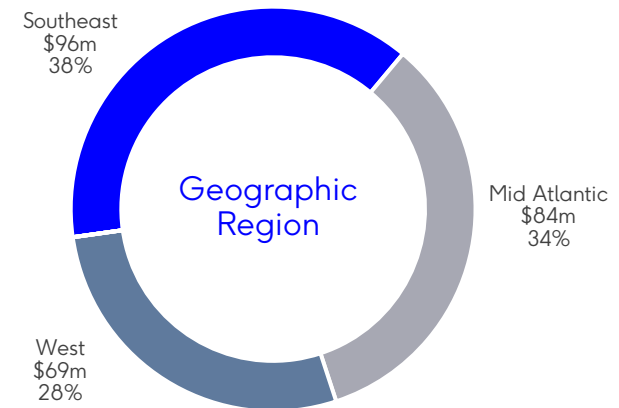
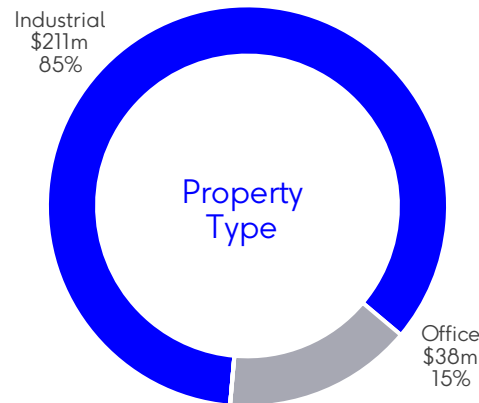


Note: Please refer to the "Glossary" section of the Appendix for additional details regarding definitions and calculations.

# Net Lease Venture II

Net Lease Venture II (51.9% Ownership)	
Gross Book Value	\$249m
Occupancy	100.0%
Square Feet (000s)	2,273
W.A. Remaining Lease Term	12.9 yrs
W.A. Yield	9.9%

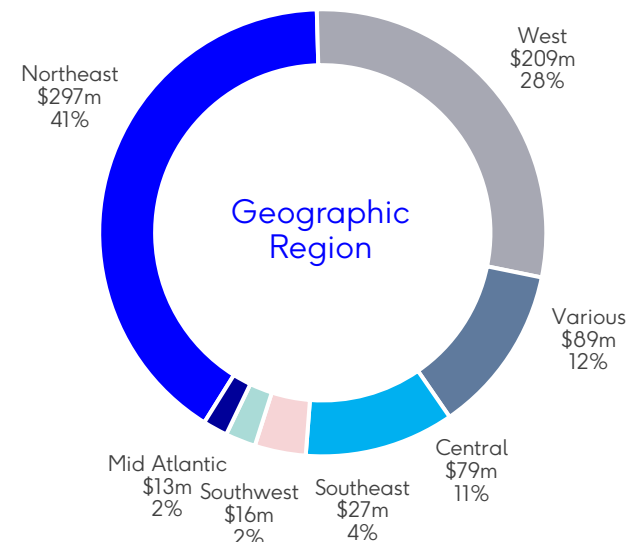
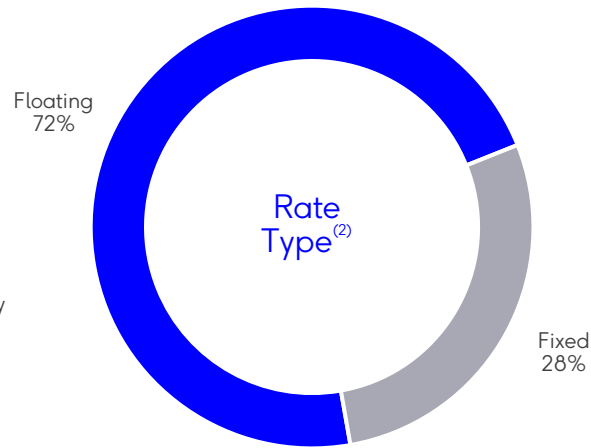
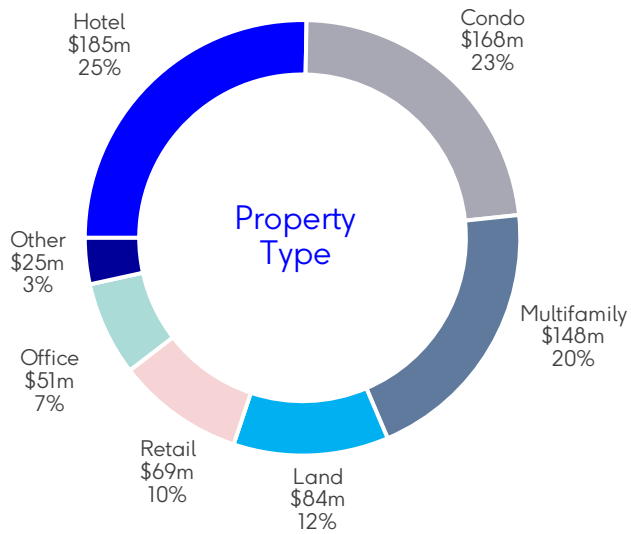
Net Lease Venture II is unconsolidated and 51.9% owned by iStar. Presented here at the venture level.



Note: Table and pie charts presented at the venture level. Please refer to the "Glossary" section of the Appendix for additional details regarding definitions and calculations.

# Real Estate Finance Portfolio

	Loans (\$)	W.A. Last \$ LTV	W.A. Yield	W.A. Maturity (yrs)
First mortgages / Senior debt <sup>(1)</sup>	\$457m	55%	6.9%	1.9
Mezzanine / Subordinated debt <sup>(1)</sup>	208m	81%	9.1%	2.8
<b>Total Performing Loans</b>	<b>\$665m</b>	<b>63%</b>	<b>7.6%</b>	<b>2.2</b>
NPLs	65m			
<b>Total Real Estate Finance</b>	<b>\$730m</b>			



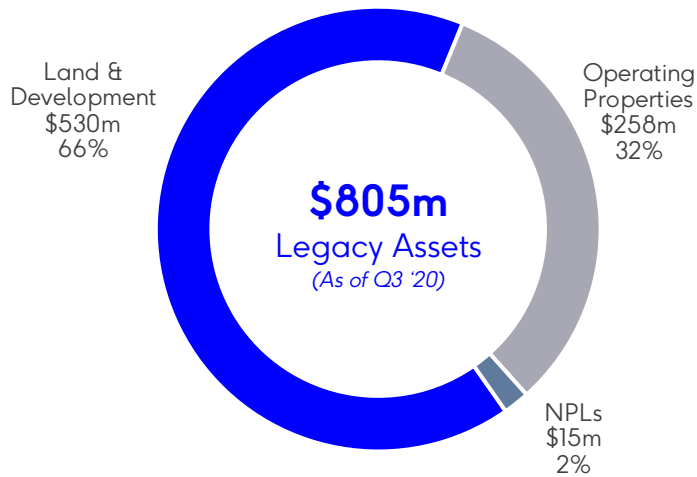
Note: Includes \$42m consolidated first mortgage participations not held by iStar. Excludes financing receivable included in other lending investments and CECL allowances. Please refer to the "Glossary" section of the Appendix for additional details regarding definitions and calculations.

(1) Includes \$25m of other lending investments in first mortgages / senior debt and \$89m of other lending investments in mezzanine / subordinated debt.

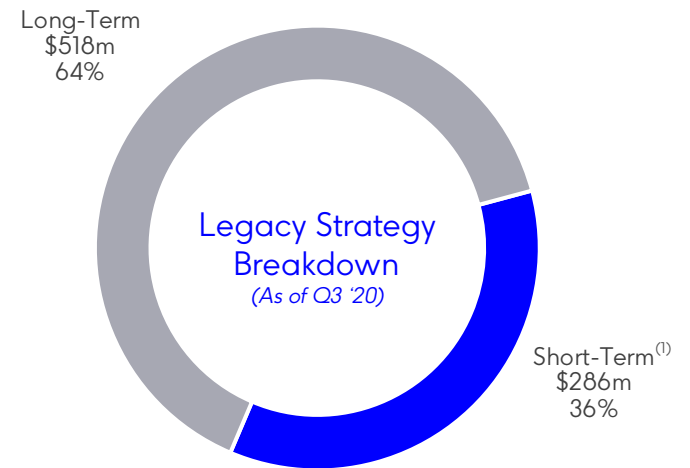
(2) Excludes nonperforming loans.

# Legacy Asset Portfolio

## Legacy Asset Balance



## Short-Term vs. Long-Term



(1) The Company intends to monetize the bulk of its short-term legacy assets as quickly as reasonably possible over the next 12 to 24 months.



# Capital Structure Overview

As of 9/30/20

Credit Metrics	9/30/20	SAFE MTM <sup>(1)</sup>
Cash	\$88m	\$23m
Debt, net of cash	\$3,219m	\$3,219m
Total Equity, gross of NCI	\$1,093m	\$2,485m
Adj. Total Equity, gross of NCI	\$1,481m	\$2,850m
Leverage <sup>(2)</sup>	2.2x	1.1x

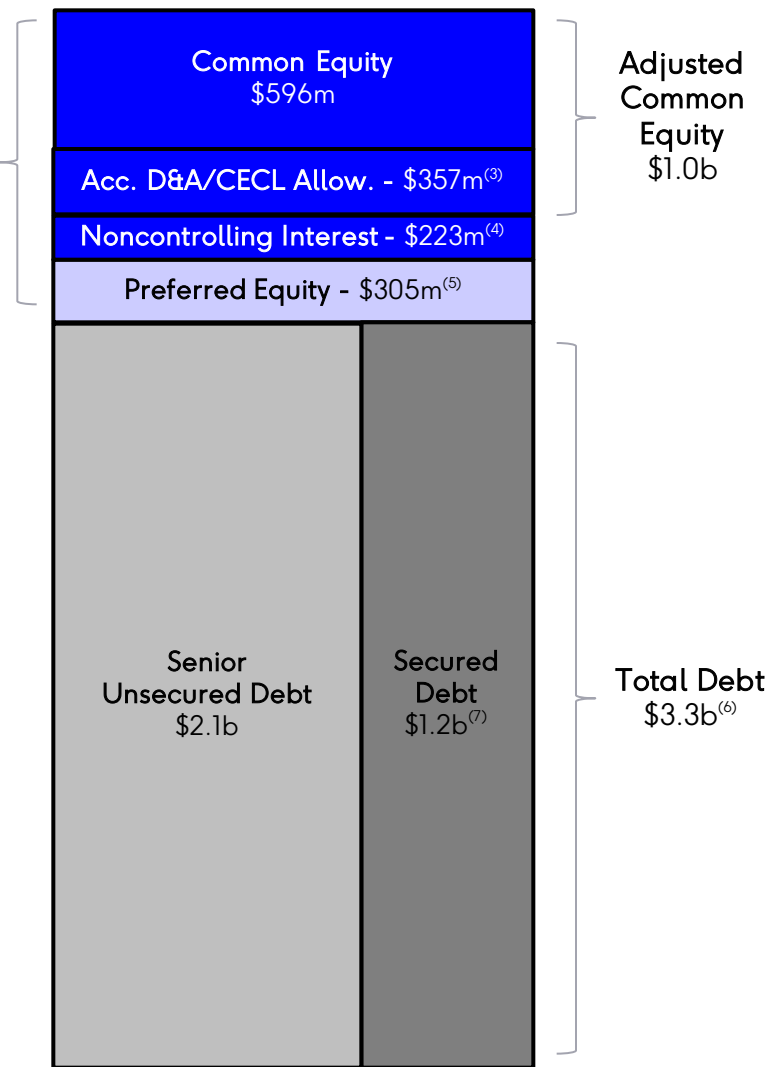
## Shares

Shares Outstanding (Basic)	74.4m	74.4m
Common Equity	\$596m	\$1,987m
Common Equity per Share	\$8.00	\$26.70
Adj. Common Equity	\$953m	\$2,322m
Adj. Common Equity per Share	\$12.80	\$31.19

## Liquidity

Cash	\$88m
Revolving Credit Facility Availability	\$330m
Total Liquidity	\$418m

Adjusted  
Total Equity  
\$1.5b



(1) SAFE mark-to-market calculations based on the November 13, 2020 closing stock price of \$66.50 with respect to 34.7m shares held by iStar.

(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 \$31m 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 \$491m of consolidated, asset-specific non-recourse mortgage debt of Net Lease Venture I.

# Adjusted Total Equity Reconciliation

	As of September 30, 2020	As of December 31, 2018
Total Equity	\$1,100,048	\$1,064,115
Add: Accumulated depreciation and amortization <sup>(1)</sup>	319,691	354,493
Add: Proportionate share of depreciation and amortization within equity method investments	44,278	17,763
Add: CECL allowance <i>(December 31, 2018 balance represents general reserves)</i>	23,640	13,000
<b>Adjusted Total Equity</b>	<b>\$1,487,658</b>	<b>\$1,449,371</b>
Total Equity with SAFE MTM	\$2,484,812	\$1,061,125
Adjusted Total Equity with SAFE MTM	\$2,849,908	\$1,440,320



Note: Amounts in thousands. Q3 '20 market value is \$2,312m, calculated as iStar's ownership of 34.7m shares of SAFE at the November 13, 2020 closing stock price of \$66.50. Q4 '18 market value is \$144m calculated as iStar's ownership of 7.6m shares of SAFE at the December 31, 2018 closing stock price of \$18.81.

(1) Includes accumulated depreciation and amortization associated with real estate available and held for sale and includes the proportionate share of depreciation and amortization related to noncontrolling interests of \$30.7m and \$7.1m as of September 30, 2020 and December 31, 2018, respectively.

# Earnings Results

	Q3 '20	Q3 '19	YTD '20	YTD '19
<b>Net Income (Loss)</b> <i>(Allocable to Common Shareholders)</i>	(\$2.1m)	(\$7.3m)	(\$46.9m)	\$337.8m
<b>W.A. Shares</b> <i>(Diluted)</i>	75.0m	62.2m	76.2m	80.9m
<b>EPS (Loss)</b> <i>(Diluted)</i>	(\$0.03)	(\$0.12)	(\$0.61)	\$4.26

<b>Adj. Earnings</b> <i>(Allocable to Common Shareholders)</i>	\$22.1m	\$13.7m	\$29.8m	\$403.0m
<b>W.A. Shares</b> <i>(Diluted)</i>	75.3m	78.6m	76.4m	80.9m
<b>AEPS</b> <i>(Diluted)</i>	\$0.29	\$0.20	\$0.39	\$5.07



Note: Please refer to the "Adjusted Earnings Reconciliation" section of the Appendix for more information with regard to the calculation of this metric.

# Consolidated Statements of Operations

	Three Months		Nine Months	
	Ended September 30, 2020	2019	Ended September 30, 2020	2019
<b>Revenues</b>				
Operating lease income	\$46,370	\$44,110	\$140,529	\$158,210
Interest income	14,270	19,701	46,925	60,417
Interest Income from sales-type leases	8,360	8,339	25,010	12,157
Other income	25,552	18,270	56,212	43,133
Land development revenue	20,502	54,918	116,254	76,691
<b>Total revenues</b>	<b>\$115,054</b>	<b>\$145,338</b>	<b>\$384,930</b>	<b>\$350,608</b>
<b>Cost and Expenses</b>				
Interest expense	\$42,407	\$46,522	\$127,748	\$136,851
Real estate expense	16,935	23,187	53,708	71,165
Land development cost of sales	21,358	48,101	114,704	71,785
Depreciation and amortization	14,621	14,199	43,407	43,586
General and administrative	14,207	17,370	46,463	51,818
General and administrative – stock-based compensation	5,661	6,740	26,675	20,694
Provision for (recovery of) for loan losses	(1,976)	(3,805)	4,093	(3,792)
Provision for net investment in leases	175	-	2,001	-
Impairment of assets	-	-	6,491	4,953
Other expense	73	407	351	12,798
<b>Total costs and expenses</b>	<b>\$113,461</b>	<b>\$152,721</b>	<b>\$425,641</b>	<b>\$409,858</b>
Income from sales of real estate	6,055	3,476	6,118	233,406
<b>Income (loss) from operations before earnings from equity method investments and other items</b>	<b>\$7,648</b>	<b>(\$3,907)</b>	<b>(\$34,593)</b>	<b>\$174,156</b>
Earnings (losses) from equity method investments	6,805	7,617	26,003	16,566
Selling profit from sales-type leases	-	-	-	180,416
Income tax (expense) benefit	(78)	(84)	(165)	(323)
Loss on early extinguishment of debt	(7,924)	-	(12,038)	(468)
<b>Net income (loss)</b>	<b>\$6,451</b>	<b>\$3,626</b>	<b>(\$20,793)</b>	<b>\$370,347</b>
Net (income) loss attributable to noncontrolling interests	(2,646)	(2,845)	(8,435)	(8,168)
<b>Net income (loss) attributable to iStar</b>	<b>\$3,805</b>	<b>\$781</b>	<b>(\$29,228)</b>	<b>\$362,179</b>
Preferred dividends	(5,874)	(8,124)	(17,622)	(24,372)
<b>Net income (loss) allocable to common shareholders</b>	<b>(\$2,069)</b>	<b>(\$7,343)</b>	<b>(\$46,850)</b>	<b>\$337,807</b>



Note: \$ in thousands.

# Consolidated Balance Sheets

	As of September 30, 2020	As of December 31, 2019
<b>Assets</b>		
Real Estate		
Real estate, at cost	\$1,744,613	\$1,761,079
Less: accumulated depreciation	(257,518)	(233,860)
Real estate, net	1,487,095	1,527,219
Real estate available and held for sale	5,519	8,650
Total real estate	1,492,614	1,535,869
Net investment in leases	420,417	418,915
Land and development	488,916	580,545
Loans receivable and other lending investments, net	765,073	827,861
Other investments	1,123,093	907,875
Cash and cash equivalents	88,187	307,172
Accrued interest and operating lease income receivable, net	8,053	10,162
Deferred operating lease income receivable, net	55,625	54,222
Deferred expenses and other assets, net	446,145	442,488
<b>Total Assets</b>	<b>\$4,888,123</b>	<b>\$5,085,109</b>
<b>Liabilities and Equity</b>		
Accounts payable, accrued expenses, and other liabilities	\$444,956	\$424,374
Liabilities associated with properties held for sale	105	57
Loan participations payable, net	41,931	35,638
Debt obligations, net	3,307,683	3,387,080
<b>Total Liabilities</b>	<b>\$3,794,675</b>	<b>\$3,847,149</b>
Total iStar shareholders' equity	\$900,760	\$1,040,422
Noncontrolling interests	192,688	197,538
<b>Total Equity</b>	<b>\$1,093,448</b>	<b>\$1,237,960</b>
<b>Total Liabilities and Equity</b>	<b>\$4,888,123</b>	<b>\$5,085,109</b>



Note: \$ in thousands.

# Glossary

<b>Funding / Capex</b> <i>(Net Lease, Operating Properties, Land &amp; Development)</i>	Acquisition price, capitalized acquisition costs, capital expenditures, contributions to equity method investments, capitalized payroll and capitalized interest.
<b>Funding / Capex</b> <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.
<b>Gross Book Value</b> <i>(Net Lease, Operating Properties, Land &amp; 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.
<b>Gross Book Value</b> <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).
<b>Net Book Value</b> <i>(Net Lease, Operating Properties, Land &amp; Development)</i>	Gross Book Value net of accumulated depreciation and amortization.
<b>Net Book Value</b> <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).
<b>Net Operating Income</b>	Operating lease income and other income less operating expenses.
<b>Proceeds</b> <i>(Net Lease, Operating Properties, Land &amp; 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.
<b>Proceeds</b> <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.
<b>Yield</b> <i>(Net Lease)</i>	Calculated as Net Operating Income for the quarter, annualized, divided by the average Gross Book Value during the quarter.
<b>Yield</b> <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.

