# Corporate Presentation

September 2020

Note: Figures in the presentation are as of 6/30/20, 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 June 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.

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 fillings 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 June 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.

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# iStar Strategy Review

We have been successfully executing on the 3-part strategy we laid out at the beginning of 2019

1

**Strengthen Balance Sheet**

- Enhance capital structure
- Maintain strong liquidity profile

2

**Simplify Business**

- Monetize legacy assets
- Recycle capital into lower risk investments

3

**Scale Safehold**

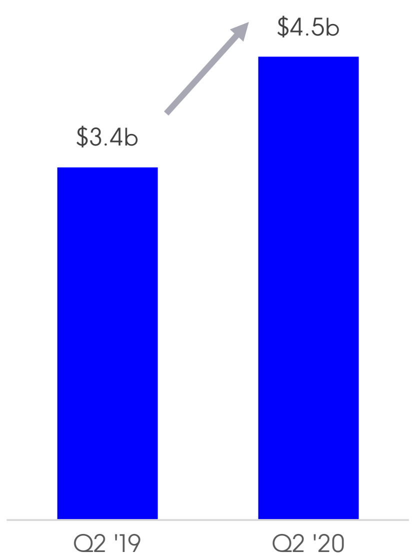
- Focus management team and investment resources around new core mission

# Strong Balance Sheet with Improving Credit Metrics

*(Q2 '19 to Q2 '20)*

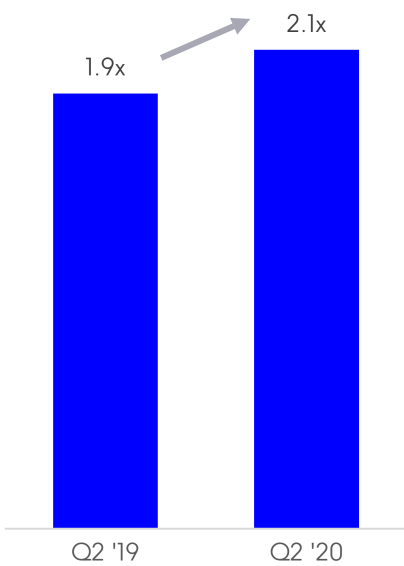
## Unencumbered Asset Base

*(SAFE MTM)*



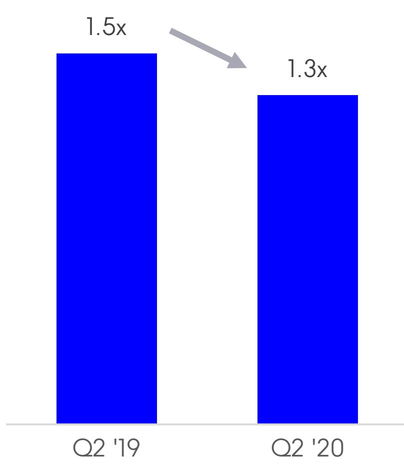

## UA / UD

*(SAFE MTM)*



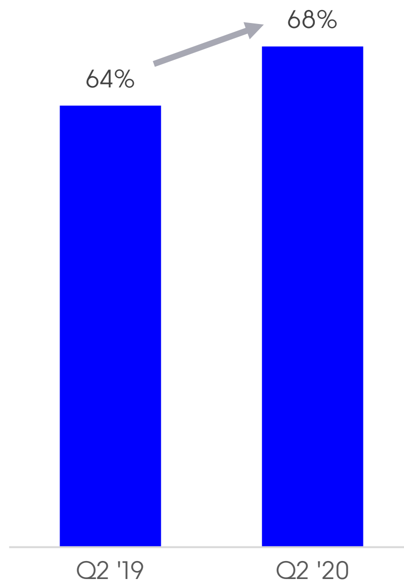

## Leverage[1]

*(SAFE MTM)*




## Unsecured Debt / Total Debt[2]

*(No Repurchase Facilities)*




Fitch Revised to

**Positive Outlook**

*(7/20/20)*

Note: "SAFE MTM" amounts in this presentation adjust the GAAP carrying value of the SAFE shares held by iStar to reflect their market value at the dates indicated. At September 10, 2020, SAFE's closing stock price was $57.19 and iStar owned 33.4m SAFE shares with an aggregate market value of approximately $1.9b. At June 30, 2019, SAFE's closing stock price was $30.20 and iStar owned 20.6m shares SAFE shares with an aggregate market value of approximately $622.1m.

(1) Leverage is calculated using debt, net of cash and adjusted total equity are presented gross of non-controlling interests, or "NCI". Please refer to the "Adjusted Equity Reconciliation" slide in the Appendix for more details.

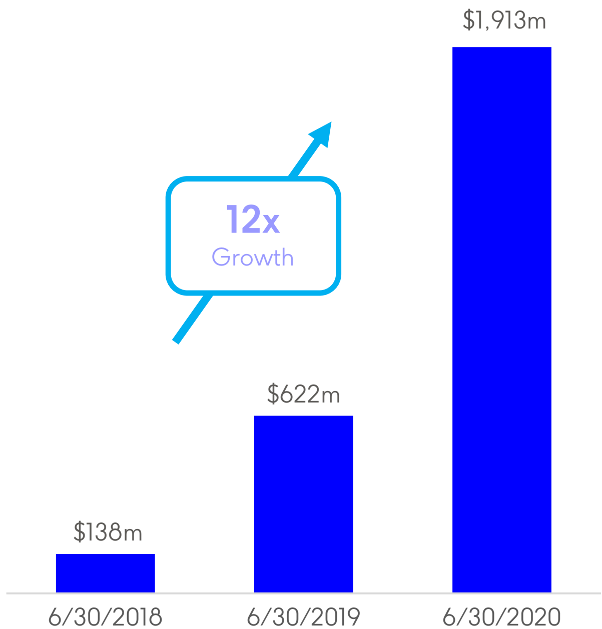
(2) Includes only iStar's share of Net Lease Venture I debt.

# Business Simplification as Portfolio Shifts

SAFE ↑ + Legacy Assets ↓ = Portfolio Quality ↑

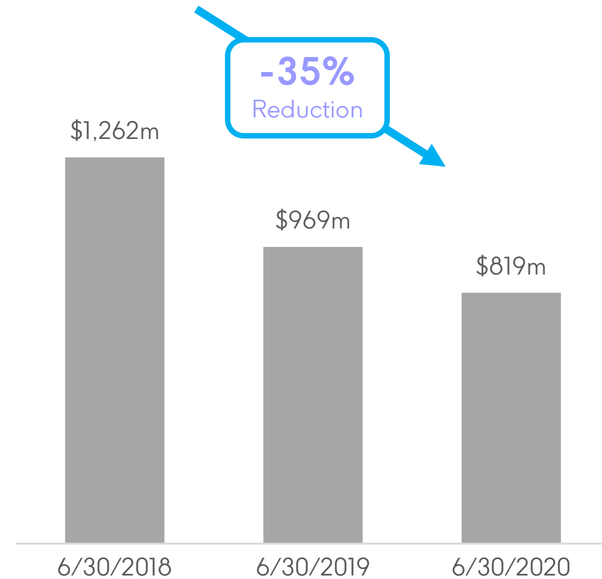
## Safehold Investment

*(SAFE MTM)*



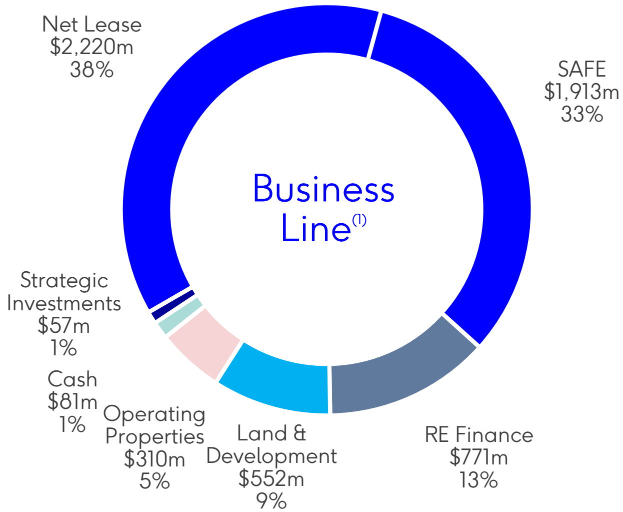

## Legacy Assets

*(Gross Book Value)*




Note: SAFE mark-to-market is based on the September 10, 2020 closing stock price of $57.19 with respect to 33.4m shares held by iStar, the June 30, 2019 closing stock price of $30.20 with respect to 20.6m shares held by iStar, and the June 30, 2018 closing stock price of $18.97 with respect to 7.3m shares held by iStar.

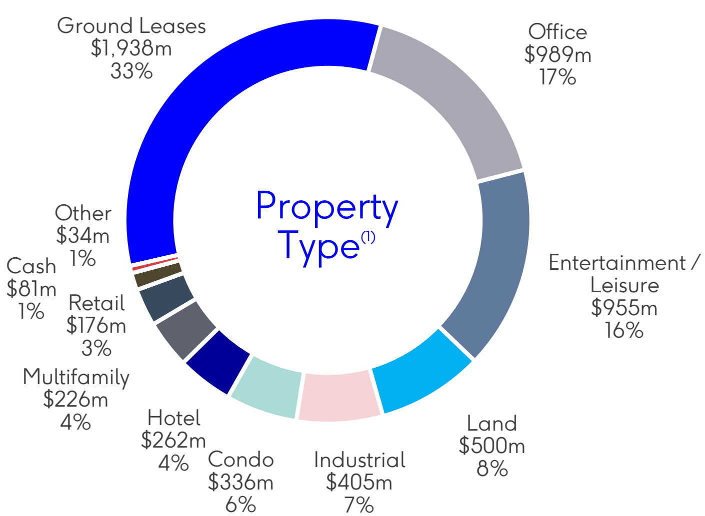
# Diversified Portfolio

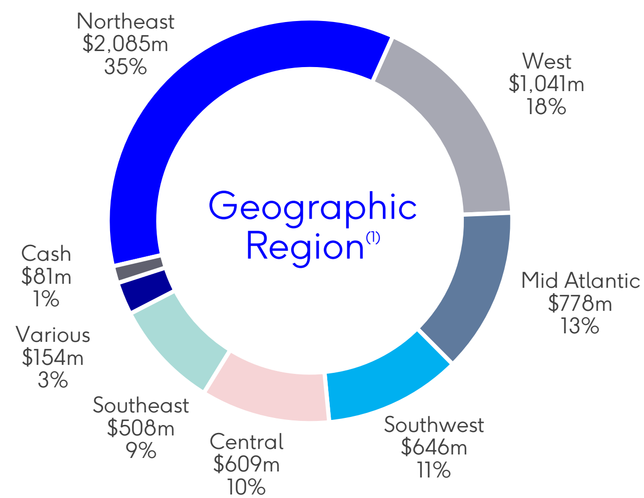



### Q2 '20 Cash Rent

| Business | Rent Received |
|---|---|
| SAFE | 100% |
| Net Lease *(Incl. Bowlero Agreement)** | 98% |
| RE Finance[2] | 94% |
| Operating Properties | 80% |

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

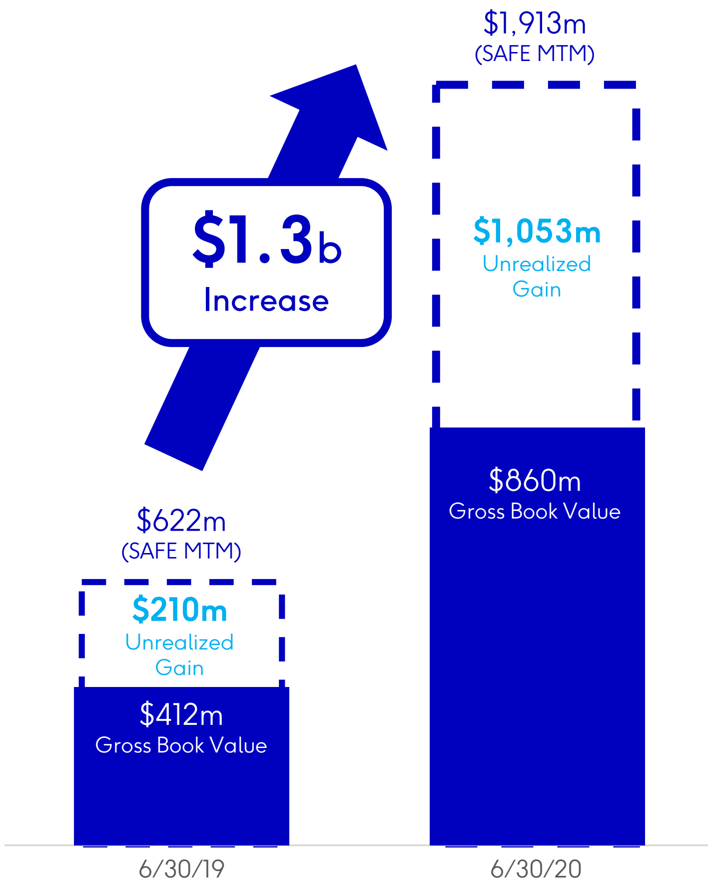



Note: Figures based on Gross Book Value of the Company's total investment portfolio and includes 100% of the assets of iStar's consolidated joint ventures and the carrying value of iStar's investment in non-consolidated joint ventures and affiliates.
(1) SAFE is presented at market value based on the September 10, 2020 closing stock price of $57.19 with respect to 33.4m shares held by iStar.
(2) Excludes one remaining pre-existing legacy nonperforming loan.

# Safehold: Q2 '20 Highlights

## Investment in Safehold




**100%**
Ground Rent Received

**$2.9b**
Safehold Ground Lease Portfolio[1]

**39%**
EPS Growth Year-Over-Year

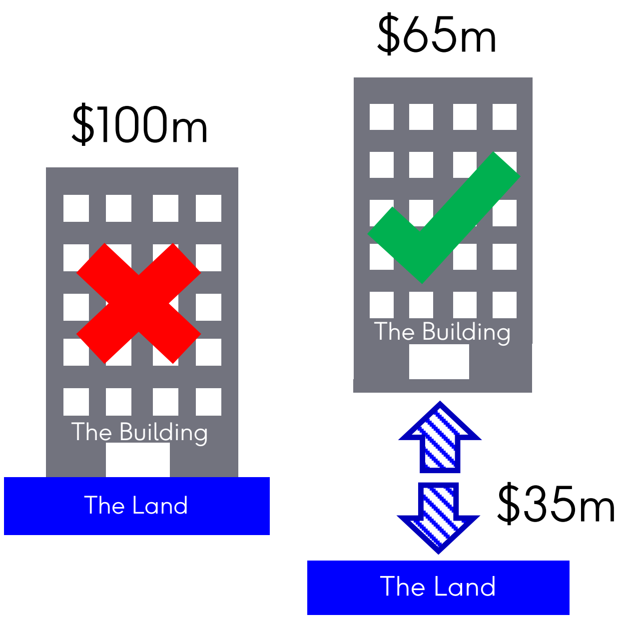
**~$900m**
Purchasing Power at Safehold[2]

Note: SAFE mark-to-market is based on the September 10, 2020 closing stock price of $57.19 with respect to 33.4m shares held by iStar vs. the June 30, 2019 closing stock price of $30.20 with respect to 20.6m shares held by iStar.
(1) Presented using Aggregate Gross Book Value. Please refer to the "Safehold Portfolio Reconciliation" slide in the Appendix.
(2) Based on cash and revolver availability as of June 30, 2020, levered in accordance with SAFE's target leverage policy of 2x debt-to-equity.

# Safehold: A Better, More Efficient Solution

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

## Improved Capital Efficiency




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

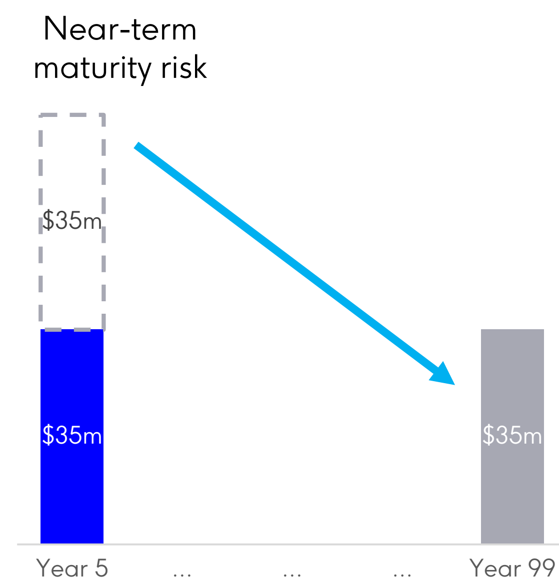
| Building Investment | vs. | Land Investment |
|---|---|---|
| 5 to 10-year hold | vs. | 99-year hold |
| Active management | vs. | Passive management |
| Higher ROE asset | vs. | Lower ROE asset |

## Improved Cost Efficiency

- Transfer Tax
- Mortgage Recording Tax
- Title Insurance
- Other Transaction Costs

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

## Significant Risk Reduction

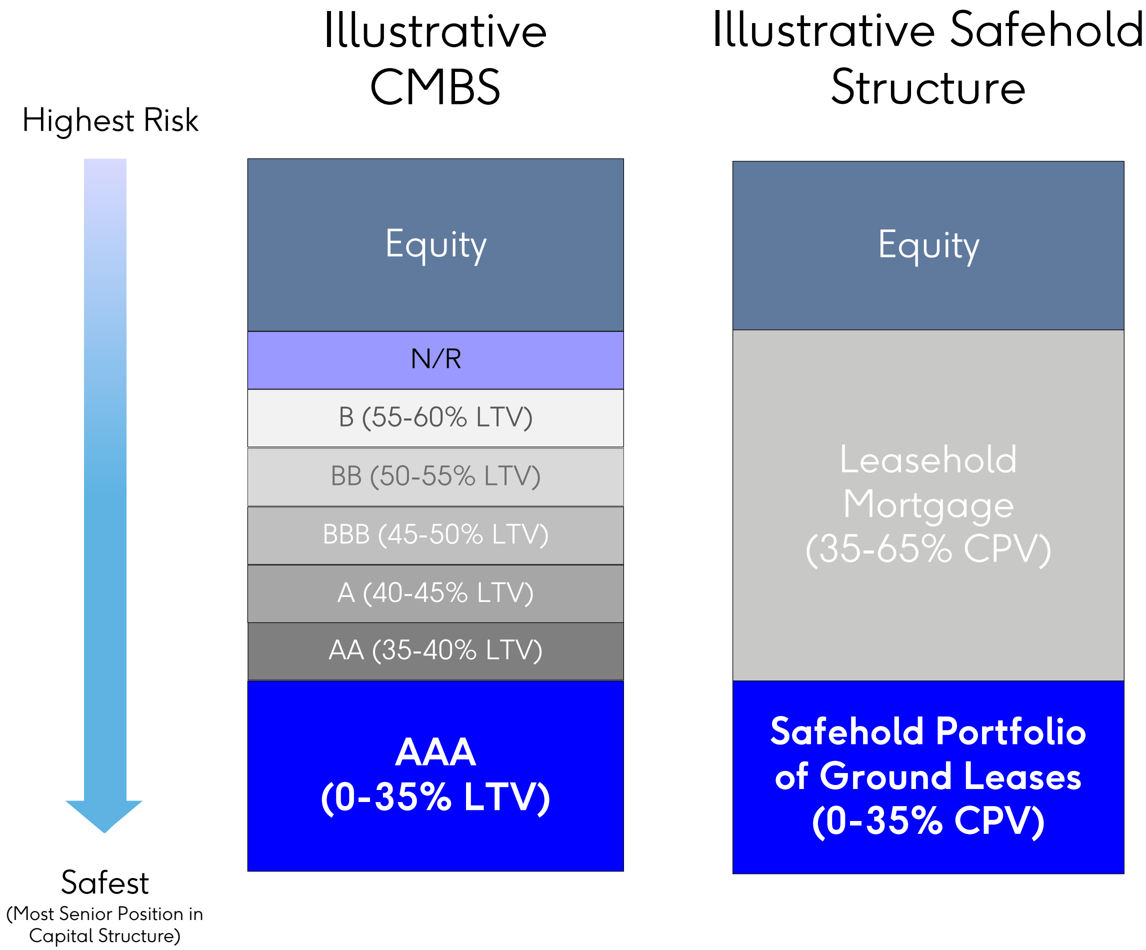



Eliminates debt maturity risk on a large portion of building owner's capital structure by replacing it with near-permanent capital

# Safehold: Growing Market Adoption & Dry Powder


Note: Please refer to the "Safehold Portfolio Reconciliation" slide in the Appendix.

# Safehold: Principal Safety




"The security of a ground lease position is incredibly safe when compared to other equity investments in the CRE industry."

- Green Street Advisors

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.

# Safehold: Attractive Return vs. Comparable Bond

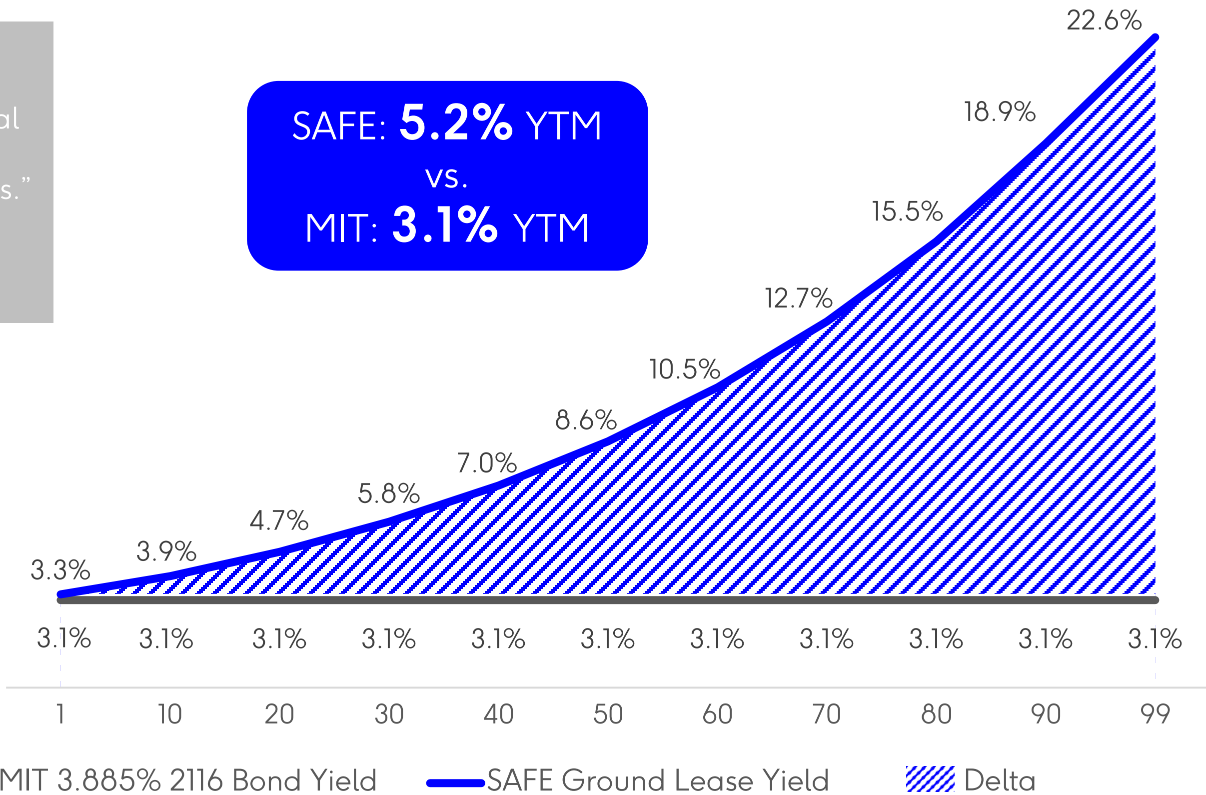
Portfolio with contractual rent increases creates long-term compounding cash flows that generate superior returns versus similar risk and similar maturity fixed income securities

## Ground Lease vs. 100-Year MIT Bond

"High quality 99-year bonds provide perhaps the closest real time pricing comparison to a diversified pool of ground leases."

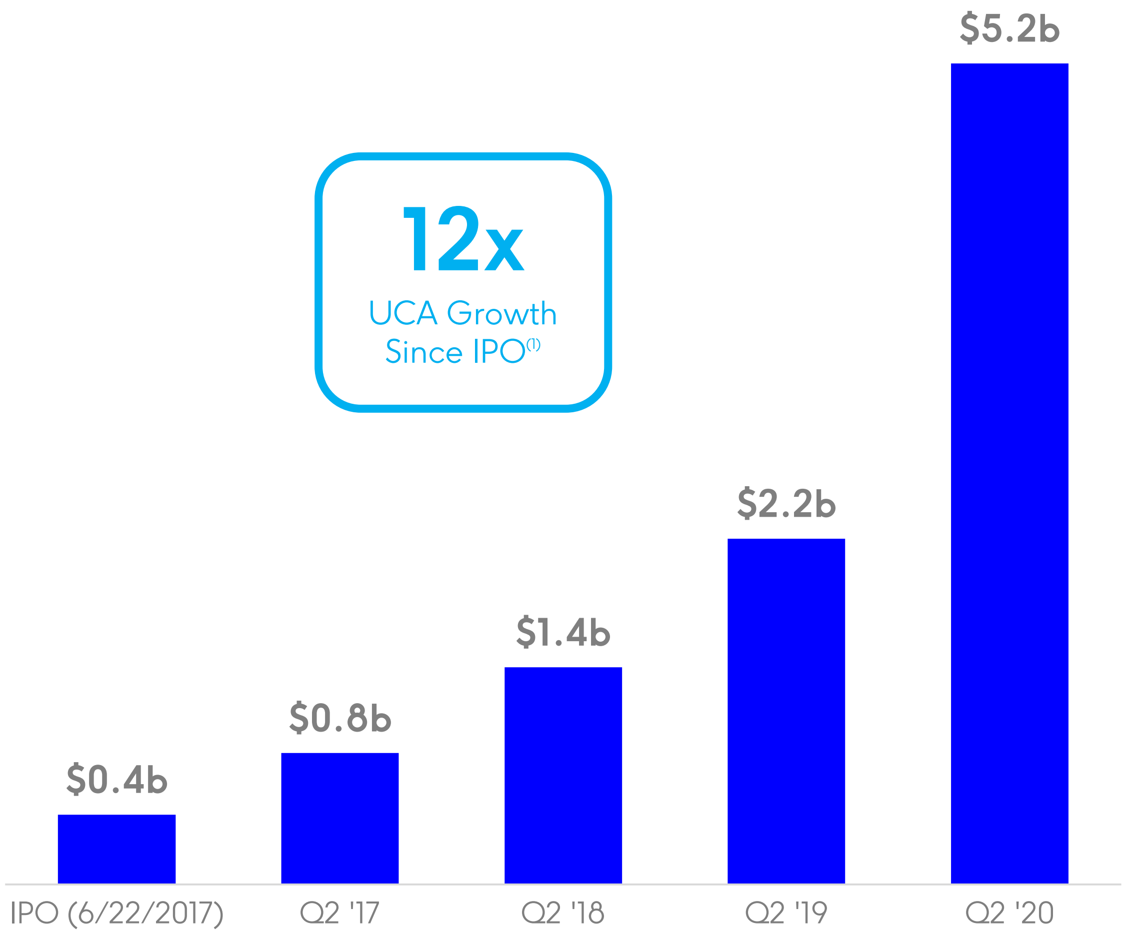
- Green Street Advisors[(1)]

SAFE: **5.2%** YTM
vs.
MIT: **3.1%** YTM




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 3.08% as of 9/9/20.
(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.

# Safehold: Unrealized Capital Appreciation




**Note: Please see the "Important Note re COVID-19" in the front of this presentation for a statement about metrics this quarter.** Refer to the Glossary in the Appendix for a definition of Owned Residual Portfolio and Unrealized Capital Appreciation.

(1) SAFE relies in part on CBRE's appraisals in calculating Owned Residual Portfolio and Unrealized Capital Appreciation. SAFE may utilize management's estimate of CPV for ground lease investments recently acquired that CBRE has not yet appraised. For forward commitments on construction deals, CPV represents the cost to build inclusive of the ground lease. Please refer to our Current Report on Form 8-K filed with the SEC on July 23, 2020 and "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2019, and Quarterly Report on Form 10-Q for the quarter ended June 30, 2020 as updated from time to time in our subsequent periodic reports, filed with the SEC, for a further discussion of such tenants' rights. The Company formed a wholly-owned subsidiary called "CARET" that is structured to track and capture Unrealized Capital Appreciation. Under a shareholder-approved plan, management has earned up to 15% of UCA, subject to time-based vesting. See the Company's 2019 proxy statement for additional information on the long-term incentive plan.

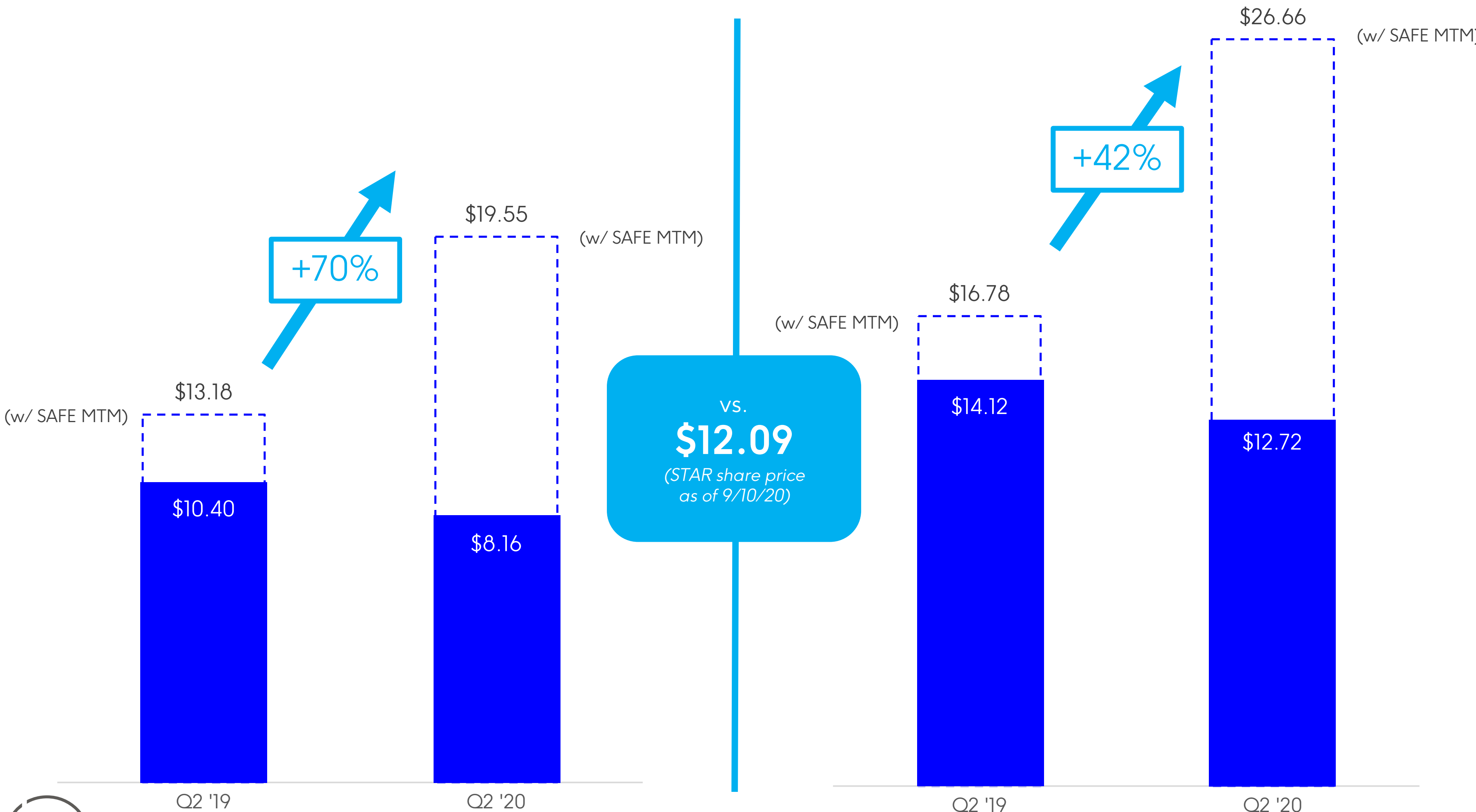
# STAR's Equity Value per Share

## 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 September 10, 2020 closing stock price of $57.19 with respect to 33.4m shares held by iStar vs. the June 30, 2019 closing stock price of $30.20 with respect to 20.6m shares held by iStar. Please refer to the "Adjusted Equity Reconciliation" section of the Appendix for more information.

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

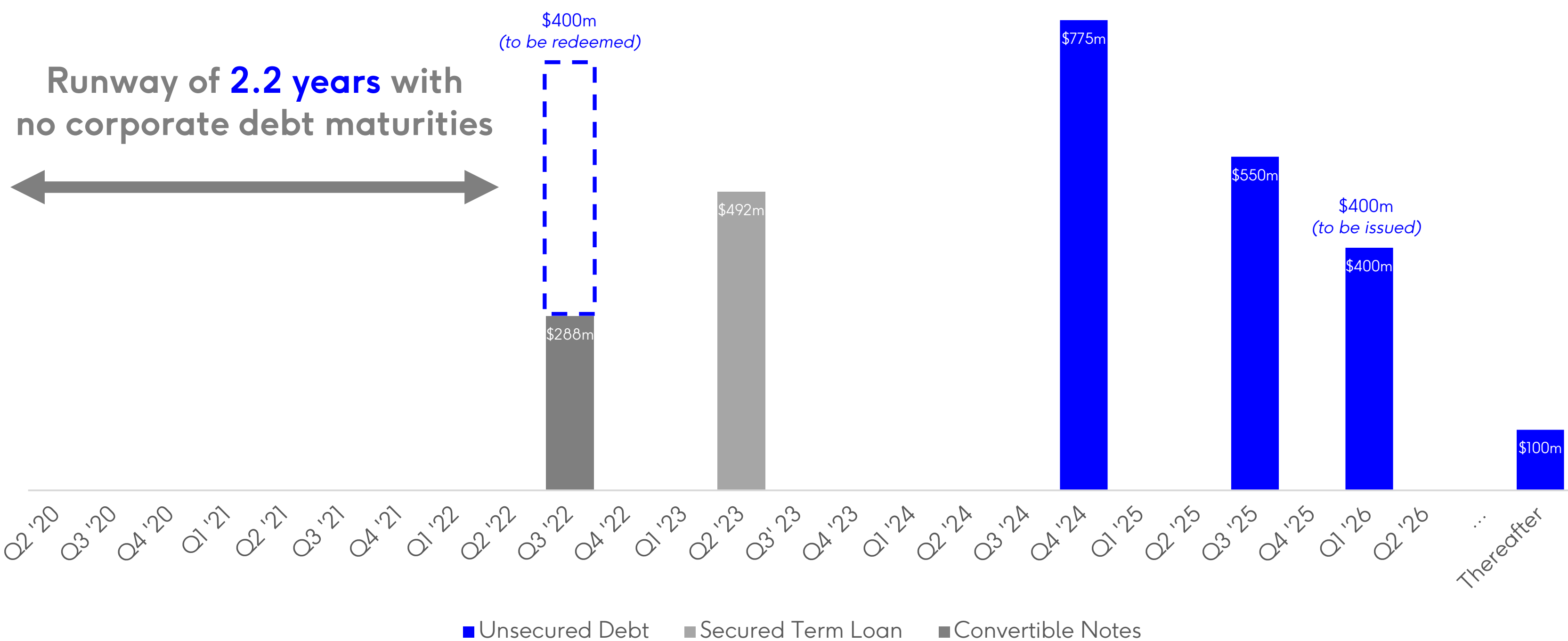
# Appendix

# Corporate Debt Maturity Profile

Subsequent to Q2 '20, iStar refinanced its Senior Notes due September 2022 and issued $400m of Senior Notes due February 2026

**Q2 '20**
**4.4 years**
w.a. maturity

**Pro Forma**
**4.8 years**
w.a. maturity

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Note: Excludes revolving credit facility which is fully undrawn.

# Adjusted Equity Reconciliation

| | As of June 30, 2020 | As of June 30, 2019 |
|---|---|---|
| Total shareholders' equity | $921,932 | $1,123,633 |
| Less: Liquidation preference of preferred stock | (305,000) | (505,000)[2] |
| Common shareholders equity | $616,932 | $618,633 |
| Add: Accumulated depreciation and amortization[1] | 278,455 | 253,710 |
| Add: Proportionate share of depreciation and amortization within equity method investments | 38,784 | 26,115 |
| Add: CECL allowance *(June 30, 2019 balance represents general reserves)* | 27,213 | 12,520 |
| **Adjusted common equity** | **$961,384** | **$910,978** |
| | | |
| Common shares outstanding – basic | 75,559 | 62,202 |
| Common shares outstanding – pro forma Series J conversion | 75,559 | 78,702 |
| Common equity per share | $8.16 | $9.95 |
| Common equity per share diluted for Series J convertible preferreds | $8.16 | $10.40 |
| Common equity per share diluted for Series J convertible preferreds with SAFE MTM | $22.37 | $13.18 |
| Adjusted common equity per share | $12.72 | $14.65 |
| Adjusted common equity per share diluted for Series J convertible preferreds | $12.72 | $14.12 |
| Adjusted common equity per share diluted for Series J convertible preferreds with SAFE MTM | $26.66 | $16.78 |

Note: Amounts in thousands, except for per share data. SAFE mark-to-market based on the September 10, 2020 closing stock price of $57.19 with respect to 33.4m shares held by iStar vs. the June 30, 2019 closing stock price of $30.20 with respect to 20.6m shares held by iStar.

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) | 6/30/17 | 6/30/18 | 6/30/19 | 6/30/20 |
|---|---|---|---|---|---|
| Net investment in Sales-Type Leases | - | - | - | $160 | $1,045 |
| Ground Lease receivables, net | - | - | - | - | $477 |
| Pro-rata interest in Sales-Type Leases held as equity method investments | - | - | - | - | $343 |
| Real estate, net (Operating Leases) | $265 | $406 | $477 | $663 | $688 |
| Add: Accumulated depreciation | 1 | 1 | 7 | 13 | 19 |
| Add: Lease intangible assets, net | 123 | 132 | 198 | 235 | 241 |
| Add: Accumulated amortization | 1 | 1 | 6 | 12 | 19 |
| Add: Other assets | - | - | - | 25 | 24 |
| Less: Lease intangible liabilities, net | (51) | (58) | (58) | (58) | (57) |
| Less: Non-controlling interest | - | - | (2) | (2) | (2) |
| Gross Book Value | $339 | $481 | $629 | $1,050 | $2,798 |
| Forward Commitments | - | - | 34 | 83 | 72 |
| Aggregate Gross Book Value | $339 | $481 | $663 | $1,133 | $2,870 |
| Less: Accruals to net investment in leases and ground lease receivables | - | - | - | (1) | (24) |
| Aggregate Cost Basis | $339 | $481 | $663 | $1,132 | $2,846 |

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

# Glossary

| | |
|---|---|
| Gross Book Value<br>*(Net Lease, Operating Properties, Land & Development)* | 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<br>(Real Estate Finance) | 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<br>*(Net Lease, Operating Properties, Land & Development)* | Gross Book Value net of accumulated depreciation and amortization. |
| Net Book Value<br>*(Real Estate Finance)* | Gross Book Value for Real Estate Finance less general reserve for loan loss (prior to 2020) and CECL allowances (beginning in 2020). |
| Proceeds<br>*(Net Lease, Operating Properties, Land & Development)* | 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<br>*(Real Estate Finance)* | 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. |

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.