

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): November 3, 2022

**iStar Inc.**

(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction of incorporation)

**1-15371**  
(Commission File Number)

**95-6881527**  
(IRS Employer Identification No.)

**1114 Avenue of the Americas, 39th Floor**  
**New York, New York 10036**  
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **(212) 930-9400**

N/A

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value	STAR	New York Stock Exchange
8.00% Series D Cumulative Redeemable Preferred Stock, \$0.001 par value	STAR-PD	New York Stock Exchange
7.65% Series G Cumulative Redeemable Preferred Stock, \$0.001 par value	STAR-PG	New York Stock Exchange
7.50% Series I Cumulative Redeemable Preferred Stock, \$0.001 par value	STAR-PI	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition.**

On November 3, 2022, iStar Inc. issued an earnings release and made available on its website an earnings presentation for the quarter ended September 30, 2022. A copy of the earnings release and earnings presentation are attached as Exhibit 99.1 and Exhibit 99.2, respectively, hereto and incorporated herein by reference.

The information in this Current Report, including the exhibits hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, unless it is specifically incorporated by reference therein.

**Item 7.01 Regulation FD Disclosure.**

On November 3, 2022, iStar Inc. made available on its website an earnings presentation for the quarter ended September 30, 2022. A copy of the earnings presentation is attached as Exhibit 99.2 hereto and incorporated by reference.

The earnings presentation, including Exhibit 99.2 hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, unless it is specifically incorporated by reference therein.

**Item 9.01 Financial Statements and Exhibits.**

Exhibit 99.1 [Earnings Release](#)

Exhibit 99.2 [Earnings Presentation](#)

Exhibit 104 Inline XBRL for the cover page of this Current Report on Form 8-K.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

iStar Inc.

Date: November 3, 2022

By: \_\_\_\_\_  
*/s/ BRETT ASNAS*  
Brett Asnas  
Chief Financial Officer  
*(principal financial officer)*

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## Press Release

# iStar Reports Third Quarter 2022 Results

**NEW YORK, November 3, 2022**

iStar Inc. (NYSE: STAR) today reported results for the third quarter ended September 30, 2022.

Highlights for the quarter include:

- Net income of \$12.1 million or \$0.14 per diluted common share
- Adjusted earnings of \$28.5 million or \$0.33 per diluted common share
- During the quarter, extinguished \$155 million of debt including \$93 million of convertible notes and \$62 million of open market bond repurchases
- \$105 million of proceeds from legacy asset sales and loan repayments
- Safehold closed \$284 million<sup>1</sup> of new originations, bringing Safehold's total aggregate portfolio to \$6.1 billion and total UCA to approximately \$10.5 billion

"iStar continues to focus on streamlining its balance sheet, monetizing its legacy assets and expanding the ground lease ecosystem," said Jay Sugarman, Chairman and Chief Executive Officer. "Together with Safehold, we look forward to unlocking the full value of the ground lease platform we have built."

The Company published a presentation detailing its results and a reconciliation of non-GAAP financial metrics, which can be found on its website, in the "Investors" section.

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<sup>1</sup> Investments in Q3 '22 include \$29m of new forward commitments that have not yet been funded. Such funding commitments are subject to certain conditions. There can be no assurance that Safehold will complete these transactions.



The Company will host an earnings conference call reviewing this presentation beginning at 10:00 a.m. ET. This conference call will be broadcast live and can be accessed by all interested parties through iStar's website and by using the dial-in information listed below:

Dial-In: 877.545.0523  
International: 973.528.0016  
Access Code: 923085

A replay of the call will be archived on the Company's website. Alternatively, the replay can be accessed via dial-in from 2:00 p.m. ET on November 3, 2022 through 12:00 a.m. ET on November 17, 2022 by calling:

Replay: 877.481.4010  
International: 919.882.2331  
Access Code: 46958

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iStar Inc. (NYSE: STAR) is focused on reinventing the ground lease sector, unlocking value for real estate owners throughout the country by providing modern, more efficient ground leases on institutional quality properties. As the founder, investment manager and largest shareholder of Safehold Inc. (NYSE: SAFE), the creator of the modern ground lease industry, iStar is using its national investment platform and its historic strengths in finance and net lease to expand the use of modern ground leases within the \$7 trillion institutional commercial real estate market. Recognized as a consistent innovator in the real estate markets, iStar specializes in identifying and scaling newly discovered opportunities and has completed more than \$40 billion of transactions over the past two decades. Additional information on iStar is available on its website at [www.istar.com](http://www.istar.com).

1114 Avenue of the Americas  
New York, NY 10036  
T 212.930.9400  
E [investors@istar.com](mailto:investors@istar.com)

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**Company Contact:**

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Q3 '22  
Earnings Results

(NYSE: STAR)

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# 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, 2022 and our Annual Report on Form 10-K, as amended by Form 10K/A ("Form 10-K"), for the year ended December 31, 2021. In assessing all forward-looking statements herein, readers are urged to read carefully the Risk Factors section and other cautionary statements in our Form 10-K.

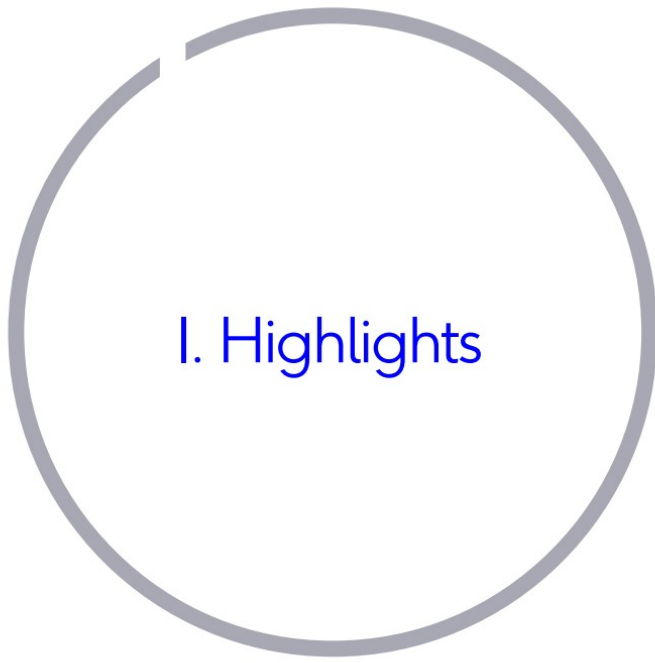
Factors that could cause actual results to differ materially from iStar's expectations include (1) the war in Ukraine and escalating geopolitical tensions as a result of Russia's invasion of Ukraine; (2) the ability to consummate the announced transactions on the expected terms and within the anticipated time periods, or at all, which is dependent on the parties' ability to satisfy certain closing conditions, including the approval of SAFE's and STAR's stockholders, completion of the Spin-Off, sales of assets and other factors; (3) any delay or inability of New Safehold and/or SpinCo to realize the expected benefits of the transactions; (4) changes in tax laws, regulations, rates, policies or interpretations; (5) the value of New Safehold shares to be issued in the transaction; (6) the value of SpinCo's shares and liquidity in SpinCo's shares; (7) the risk of unexpected significant transaction costs and/or unknown liabilities; (8) potential litigation relating to the proposed transactions; (9) the impact of actions taken by significant stockholders; (10) the potential disruption to STAR's or SAFE's respective businesses of diverted management attention, and the unanticipated loss of key members of senior management or other employees, in each case as a result of the announced transactions; (11) general economic and business conditions that could affect New Safehold and SpinCo following the transactions; (12) general economic conditions and conditions in the commercial real estate and credit markets including, without limitation, the impact of inflation on rising interest rates; (13) the effect of the COVID-19 pandemic on our business and growth prospects; (14) the performance of SAFE; (15) the Company's ability to grow its ground lease business directly and through SAFE; (16) the Company's ability to generate liquidity and to repay indebtedness as it comes due; (17) additional loan loss provisions and the pricing and timing of any such sales; (18) asset impairments; (19) the market demand for legacy assets the Company seeks to sell and the pricing and timing of such sales; (20) changes in NPLs; (21) repayment levels; (22) the Company's ability to make new investments; (23) the Company's ability to maintain compliance with its debt covenants; (24) the Company's ability to generate income and gains from its portfolio and other risks detailed in "Risk Factors" in our 2021 Annual Report on Form 10-K, and any updates thereto made in our subsequent filings with the SEC.

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



**Investor Relations Contact**  
Jason Fooks  
Senior Vice President  
212.930.9400  
investors@istar.com





# Q3 '22 Highlights

## Asset Monetization Progress

**\$105m**

Proceeds from Asset Sales and Loan Repayments

**80%**

iStar Portfolio Focused on Ground Lease Ecosystem<sup>(1)</sup>

## Momentum at Safehold

**\$284m**

New Originations at Safehold

**\$46m**

Net Gain From Sale of a Ground Lease

## Strengthening the Balance Sheet

**\$155m**

Debt Extinguished within the Quarter

**\$1.3b**

Total Cash



(1) Figure is presented using the SAFE market value of iStar's investment in SAFE. Q3 '22 SAFE market value of iStar's investment in SAFE is \$1.178m, calculated as iStar's ownership of 40.3m shares of SAFE at the October 31, 2022 closing stock price of \$29.25 which represents a \$261m discount to the carrying value. iStar owns approximately 65% of SAFE's common stock and there can be no assurance that iStar would realize \$29.25 or any other closing price on a particular day if it were to seek to liquidate SAFE shares.

# Earnings Results

	Q3 '22	Q3 '21
<b>Net Income (Loss)</b> <i>(Allocable to Common Shareholders)</i>	<b>\$12.1m</b>	\$121.9m
<b>W.A. Shares</b> <i>(Diluted)</i>	<b>85.9m</b>	80.5m
<b>EPS</b> <i>(Diluted)</i>	<b>\$0.14</b>	\$1.51

<b>Adj. Earnings</b> <i>(Allocable to Common Shareholders)</i>	<b>\$28.5m</b>	\$141.3m
<b>W.A. Shares</b> <i>(Diluted)</i>	<b>85.9m</b>	80.5m
<b>AEPS</b> <i>(Diluted)</i>	<b>\$0.33</b>	\$1.76

- Net Income for the quarter is net of \$13 million of losses on early extinguishment of debt, primarily associated with various convertible exchange transactions completed during the quarter which also resulted in a \$38 million increase in equity.



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

# iStar Overview

iStar's strategy remains focused on the **growth of the Ground Lease Ecosystem**

## Simplified Balance Sheet

In millions, except per share data

Total Assets		Total Liabilities and Equity	
<b>Cash</b>	<b>\$1,336</b>	iPIP liability (accrued)	\$46
<b>Ground Lease Ecosystem</b>		AP and other liabilities	98
Safehold	1,459	Debt obligations, net	1,681
Other Ground Lease Ecosystem	90	<b>Total Liabilities</b>	<b>\$1,825</b>
<b>Total GL Ecosystem (excl. cash)</b>	<b>1,550</b>	<b>Total Equity</b>	<b>\$1,698</b>
<b>Total Liabilities &amp; Equity</b>		<b>Total Liabilities &amp; Equity</b>	<b>\$3,522</b>
<b>Non-Core Assets</b>		<b>Total Equity</b>	<b>1,698</b>
RE Finance	177	Less: Non controlling interests	(17)
Legacy and Strategic	394	Less: Preferred equity	(305)
Other assets, net	66	<b>Total Common Equity</b>	<b>1,375</b>
<b>Total Non-Core Assets</b>	<b>637</b>	Less: SAFE mark-to-market adjustment <sup>(1)</sup>	(281)
		Less: Incremental iPIP amount <sup>(2)</sup>	(25)
<b>Total Assets</b>	<b>\$3,522</b>	<b>Total Common Equity (as adjusted)</b>	<b>\$1,069</b>
		<b>Shares Outstanding</b>	<b>86.7</b>
		<b>Common Equity per share (as adjusted)</b>	<b>\$12.33</b>

(1) Q3 '22 SAFE market value of iStar's investment in SAFE is \$1.176m, calculated as iStar's ownership of 40.3m shares of SAFE at the October 31, 2022 closing stock price of \$29.25 which represents a \$281m discount to the carrying value. iStar owns approximately 65% of SAFE's common stock and there can be no assurance that iStar would realize \$29.25 or any other closing price on a particular day if it were to seek to liquidate SAFE shares.

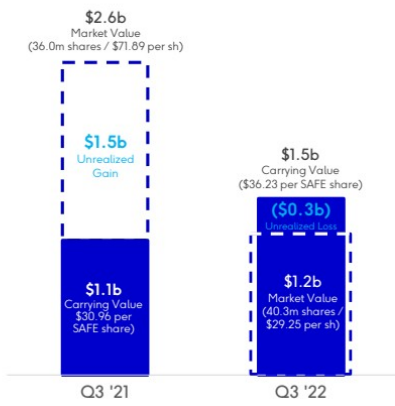
(2) Represents an estimate for the value of the total potential iPIP distribution less the amounts already accrued for as of September 30, 2022, assuming SAFE is valued at a price of \$29.25 per share and the Company's other assets perform in line with current underwriting expectations. Please see the "Supplemental iPIP Information" in the Appendix for additional details and sensitivity analysis.



### Sensitivity: Common Equity (as adjusted)

SAFE Share Price	Per Share
+\$10	\$16.21
-\$10	\$8.19

## iStar's Investment in Safehold



## Q3 '22 Safehold Progress

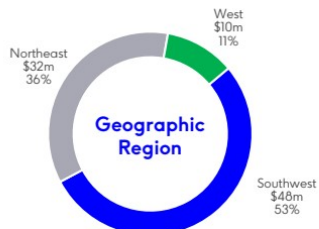


Note: Please refer to the SAFE Earnings Presentation dated November 1, 2022, available on SAFE's website for additional details. Q3 '21 share price as of September 30, 2021 and Q3 '22 share price as of October 31, 2022.

# Ground Lease Ecosystem (excl. SAFE)

Investment opportunities that target the origination and acquisition of pre-development phase ground leases (Ground Lease Plus) and leasehold loans made in conjunction with a Safehold ground lease (SAFESTAR)

Carrying Value	\$90m
# of Assets	7
Targeted Returns	9 - 12%
Unfunded Commitments	\$147m



### Monetization:

- One Ground Lease Plus asset sold during the quarter for \$36m of proceeds at \$1m gain



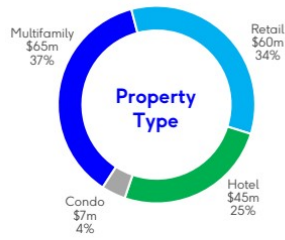
Note: Figures are based on carrying value, which represents iStar's pro rata share of investment in ground lease and leasehold loan assets.

# RE Finance & Legacy and Other Strategic Assets

## RE Finance <sup>(1)</sup> (Non-Ground Lease Ecosystem)

Carrying Value: \$177m, 14% decrease vs Q2 '22

- 6 loans remaining



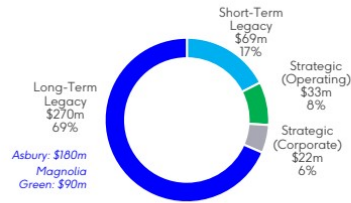
### Monetization Progress:

- \$33m of repayments and proceeds from the sales of securities; \$3m of gains associated with sales of securities

## Legacy and Strategic Assets

Carrying Value: \$394m, 5% decrease vs Q2 '22

- **Short-Term Legacy and Strategic:** 13 assets across Land & Development, Operating Properties and Corporate
- **Long-Term Legacy:** 2 projects across Land & Development and Operating Properties



### Monetization Progress:

- \$35m of proceeds and distributions from asset sales within the quarter
- \$11m of gains generated



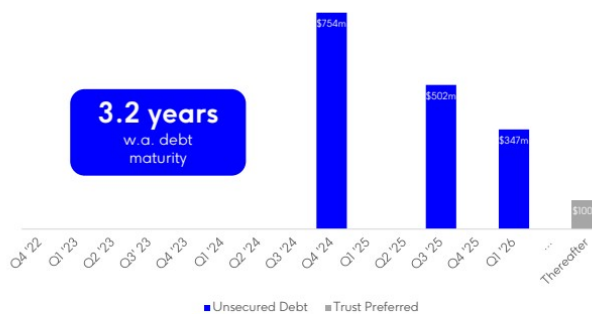
<sup>(1)</sup> Excludes iStar's \$24m investment in leasehold loans reported within the RE Finance segment.

# Corporate Debt Maturity Profile

\$155m of debt extinguished in Q3 '22:

Debt Profile		
2024		
Oct.	\$754m	4.75%
2025		
Aug.	\$502m	4.25%
2026		
Feb.	\$347m	5.50%
2035		
Oct.	\$100m	L + 150
<b>Total / W.A.</b>	<b>\$1,702m</b>	<b>4.79%</b>

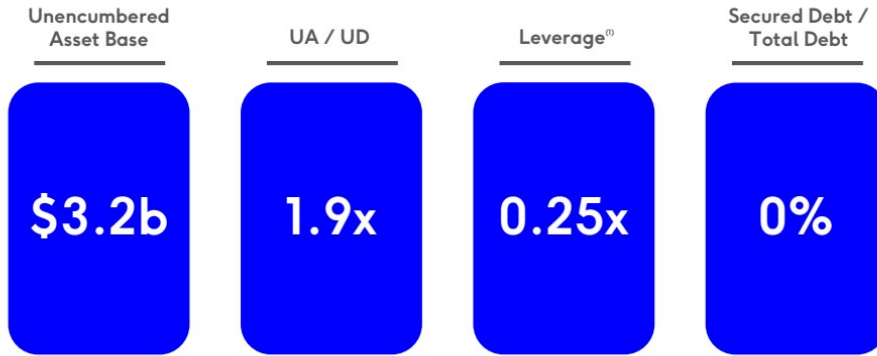
	Principal	(Loss) / Gain
'22 Convertible Notes	\$93m	(\$12)m
'24 Unsecured Notes	14m	(\$0)m
'25 Unsecured Notes	48m	(\$1)m
<b>Total</b>	<b>\$155m</b>	<b>(\$13)m</b>







# Credit Metrics



Note: Figures are presented using the SAFE market value of iStar's investment in SAFE. Q3 '22 SAFE market value of iStar's investment in SAFE is \$1.178m, calculated as iStar's ownership of 40.3m shares of SAFE at the October 31, 2022 closing stock price of \$29.25 which represents a \$281m discount to the carrying value. iStar owns approximately 65% of SAFE's common stock and there can be no assurance that iStar would realize \$29.25 or any other closing price on a particular day if it were to seek to liquidate SAFE shares.

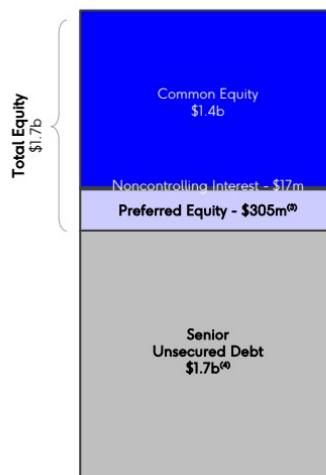
(1) Leverage is calculated as the ratio of debt, net of cash, to total equity gross of non-controlling interests, or "NCI", and applying the SAFE MTM adjustment and impact of the full estimated value of the potential IPIP distributions. Please refer to the "Capital Structure Overview" section of the presentation for more information.

# Capital Structure Overview

Credit Metrics	9/30/22	SAFE MTM and iPIP Adj. <sup>(1)(5)</sup>
Cash	\$1,336m	\$1,336m
Debt <sup>(4)</sup>	\$1,681m	\$1,681m
Debt, net of cash	\$345m	\$345m
Total Equity, gross of NCI	\$1,698m	\$1,392m
Leverage <sup>(2)</sup>	0.20x	0.25x

Shares		
Shares Outstanding	86.7m	86.7m
Common Equity	\$1,375m	\$1,069m
Common Equity per Share	\$15.86	\$12.33

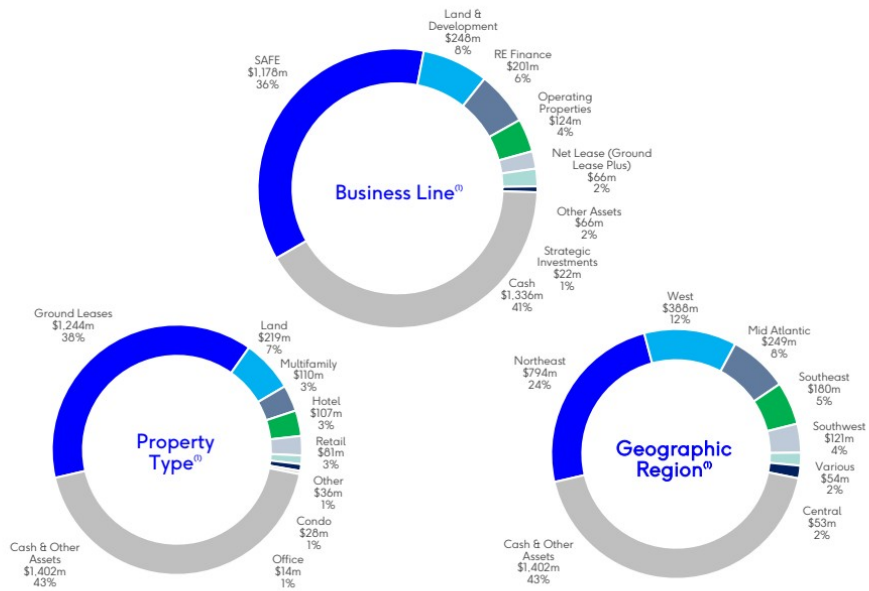


(1) SAFE mark-to-market calculations based on the October 31, 2022 closing stock price of \$29.25 with respect to 40.3m shares held by iStar.  
 (2) Corporate leverage is the ratio of total debt less cash and cash equivalents divided by Total Equity, gross of NCI.  
 (3) Represents liquidation preference of preferred equity.  
 (4) Debt is presented net of fees and discounts.  
 (5) A portion of the profits realized on iStar's investment portfolio, including iStar's investment in SAFE, is allocable to iPIP, iStar's shareholder-approved long-term incentive plan. The figures represent the full estimated value of the potential iPIP distributions. For more detail on the iPIP adjustment presented here, see the "Supplemental iPIP Information" in the Appendix to this presentation.



### III. Appendix

# \$3.2b Diversified Assets



Note: Figures based on Carrying Value of the Company's total investment portfolio, adjusted to present the investment in SAFE at market value, and includes the carrying value of iStar's investment in non-consolidated joint ventures and affiliates (other than SAFE).  
 (1) SAFE market value is calculated as iStar's ownership of 40.3m shares of SAFE at the October 31, 2022 closing stock price of \$29.25.

# Consolidated Statements of Operations

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>Revenues</b>				
Operating lease income	\$3,424	\$3,732	\$9,715	\$13,456
Interest income	2,093	6,972	11,262	24,846
Interest income from sales-type leases	129	526	861	683
Other income	27,024	39,033	51,545	60,950
Land development revenue	15,087	93,369	54,390	157,936
<b>Total revenues</b>	<b>\$47,757</b>	<b>\$143,632</b>	<b>\$127,773</b>	<b>\$257,871</b>
<b>Cost and Expenses</b>				
Interest expense	\$22,664	\$28,695	\$76,056	\$86,145
Real estate expense	16,204	13,369	39,337	33,404
Land development cost of sales	16,778	87,380	55,369	147,507
Depreciation and amortization	1,290	1,742	3,985	5,715
General and administrative	14,584	14,120	41,130	45,654
General and administrative – stock-based compensation	(374)	3,001	(30,724)	23,300
Provision for (recovery of) loans & other lending investments	(157)	(1,610)	22,556	(7,411)
Provision for (recovery of) net investment in leases	(380)	(315)	-	465
Impairment of assets	-	421	1,768	679
Other expense	4,171	894	6,624	1,358
<b>Total costs and expenses</b>	<b>\$74,780</b>	<b>\$147,697</b>	<b>\$216,101</b>	<b>\$336,816</b>
Income from sales of real estate	951	25,611	1,443	26,319
Income (loss) from operations before earnings from equity method investments and other items	(\$26,072)	\$21,546	(\$86,885)	(\$52,626)
Loss on early extinguishment of debt	(13,209)	-	(131,200)	-
Earnings from equity method investments	57,797	87,795	102,222	110,661
Income tax (expense) benefit	(564)	39	(567)	117
<b>Net income (loss) from continuing operations</b>	<b>\$17,952</b>	<b>\$109,380</b>	<b>(\$116,430)</b>	<b>\$58,152</b>
Net income from discontinued operations	-	21,614	797,688	69,415
<b>Net income</b>	<b>\$17,952</b>	<b>\$130,994</b>	<b>\$681,258</b>	<b>\$127,567</b>
Net (income) loss from continuing operations attributable to noncontrolling interests	53	(10)	(46)	55
Net (income) from discontinued operations attributable to noncontrolling interests	-	(3,254)	(179,089)	(8,092)
<b>Net income attributable to iStar</b>	<b>\$18,005</b>	<b>\$127,730</b>	<b>\$502,123</b>	<b>\$119,530</b>
Preferred dividends	(5,874)	(5,874)	(17,622)	(17,622)
<b>Net income allocable to common shareholders</b>	<b>\$12,131</b>	<b>\$121,856</b>	<b>\$484,501</b>	<b>\$101,908</b>



Note: \$ in thousands.

# Earnings per Share

	Three Months Ended September 30,		Nine Months Ended September 30,	
<b>Earnings Information for Common Shares</b>	2022	2021	2022	2021
Net income (loss) from continuing operations and allocable to common shareholders <sup>(1)</sup>				
Basic	\$0.14	\$1.45	(\$1.70)	\$0.56
Diluted	\$0.14	\$1.28	(\$1.70)	\$0.52
Net income from discontinued operations and allocable to common shareholders				
Basic	\$0.00	\$0.26	\$7.86	\$0.84
Diluted	\$0.00	\$0.23	\$7.86	\$0.78
Net income allocable to common shareholders				
Basic	\$0.14	\$1.71	\$6.16	\$1.40
Diluted	\$0.14	\$1.51	\$6.16	\$1.30
Adjusted earnings				
Basic	\$0.33	\$1.98	\$7.65	\$2.42
Diluted	\$0.33	\$1.76	\$7.30	\$2.24
Weighted average shares outstanding				
Basic	85,458	71,299	78,706	72,675
Diluted (for net income)	85,867	80,487	78,706	78,402
Diluted (for adjusted earnings)	85,867	80,487	82,460	78,402
Common shares outstanding at the end of period	86,695	70,031	86,695	70,031



Note: In thousands, except per share data.  
 (1) Allocable to common shareholders after the effect of preferred dividends, non-controlling interests and income from sales of real estate.

# Adjusted Earnings Reconciliation

	Three Months		Nine Months	
	Ended September 30,		Ended September 30,	
	2022	2021	2022	2021
Net income allocable to Common Shareholders	\$12,131	\$121,856	\$484,501	\$101,908
Add: Depreciation and amortization	3,705	16,449	11,606	50,790
Add: Stock-based compensation expense	(374)	3,001	(30,724)	23,300
Add: Loss on early extinguishment of debt	13,051	-	136,464	-
<b>Adjusted earnings allocable to common shareholders</b>	<b>\$28,513</b>	<b>\$141,306</b>	<b>\$601,847</b>	<b>\$175,998</b>

Note: \$ in thousands.

In 2019, we announced a new business strategy that would focus our management personnel and our investment resources primarily on scaling our Ground Lease platform. As part of this strategy, we accelerated the monetization of legacy assets and deployed a substantial portion of the proceeds into additional investments in SAFE and new loan and net lease originations relating to the Ground Lease business. Adjusted earnings is a non-GAAP metric management uses to assess our execution of this strategy and the performance of our operations. Adjusted earnings is used internally as a supplemental performance measure adjusting for certain items to give management a view of income more directly derived from operating activities in the period in which they occur. Adjusted earnings is calculated as net income (loss) allocable to common shareholders, prior to the effect of depreciation and amortization, including our proportionate share of depreciation and amortization from equity method investments and excluding depreciation and amortization allocable to noncontrolling interests, stock-based compensation expense, the non-cash portion of loss on early extinguishment of debt and the liquidation preference recorded as a premium above book value on the redemption of preferred stock ("Adjusted Earnings").

Adjusted Earnings should be examined in conjunction with net income (loss) as shown in our consolidated statements of operations. Adjusted Earnings should not be considered as an alternative to net income (loss) (determined in accordance with generally accepted accounting principles in the United States of America ("GAAP")), or to cash flows from operating activities (determined in accordance with GAAP), as a measure of our liquidity, nor is Adjusted Earnings indicative of funds available to fund our cash needs or available for distribution to shareholders. Rather, Adjusted Earnings is an additional measure we use to analyze our business performance because it excludes the effects of certain non-cash charges that we believe are not necessarily indicative of our operating performance. It should be noted that our manner of calculating Adjusted Earnings may differ from the calculations of similarly-titled measures by other companies.





# Consolidated Balance Sheets

	As of September 30, 2022	As of December 31, 2021
<b>Assets</b>		
<b>Real Estate</b>		
Real estate, at cost	\$111,719	\$113,510
Less: accumulated depreciation	(22,575)	(21,360)
Real estate, net	89,144	92,150
Real estate available and held for sale	1,283	301
<b>Total real estate</b>	<b>90,427</b>	<b>92,451</b>
Real estate and other assets available and held for sale and classified as discontinued operations	11,925	2,299,711
Net investment in leases	-	43,215
Land and development, net	248,246	286,610
Loans receivable and other lending investments, net	176,623	332,844
Loans receivable held for sale	-	43,215
Other investments	1,605,268	1,297,281
Cash and cash equivalents	1,335,722	339,601
Accrued interest and operating lease income receivable, net	1,035	1,613
Deferred operating lease income receivable, net	2,842	3,159
Deferred expenses and other assets, net	50,044	100,434
<b>Total Assets</b>	<b>\$3,522,132</b>	<b>\$4,840,534</b>
<b>Liabilities and Equity</b>		
Accounts payable, accrued expenses, and other liabilities	\$140,676	\$236,732
Liabilities associated with real estate held for sale and classified as discontinued operations	2,918	968,419
Liabilities associated with properties held for sale	-	3
Debt obligations, net	1,680,708	2,572,174
<b>Total Liabilities</b>	<b>\$1,824,502</b>	<b>\$3,777,328</b>
Total iStar shareholders' equity	\$1,680,319	\$851,296
Noncontrolling interests	17,311	211,910
<b>Total Equity</b>	<b>\$1,697,630</b>	<b>\$1,063,206</b>
<b>Total Liabilities and Equity</b>	<b>\$3,522,132</b>	<b>\$4,840,534</b>



Note: \$ in thousands.

## Q3 '22 Portfolio Reconciliation

	Real Estate Finance	Net Lease	Operating Properties	Land & Development	Corporate / Other	Total
Real estate, net	-	-	\$89	-	-	\$89
Real estate available and held for sale	-	-	1	-	-	1
Real estate and other assets available and held for sale and classified as discontinued operations	-	-	-	-	\$12	12
Net investment in leases	-	-	-	-	-	-
Land and development, net	-	-	-	\$248	-	248
Loans receivable and other lending investments, net	\$177	-	-	-	-	177
Other investments	24	\$1,525	34	-	22	1,605
<b>Carrying Value</b>	<b>\$201</b>	<b>\$1,525</b>	<b>\$124</b>	<b>\$248</b>	<b>\$34</b>	<b>\$2,133</b>
Add: Cash and other assets	-	-	-	-	1,390	1,390
Add: SAFE MTM <sup>(1)</sup>	-	(281)	-	-	-	(281)
<b>Portfolio Carrying Value</b>	<b>\$201</b>	<b>\$1,244</b>	<b>\$124</b>	<b>\$248</b>	<b>\$1,423</b>	<b>\$3,241</b>



Note: \$ in millions. Figures in this table may not foot due to rounding.  
 (1) Market value of iStar's investment in Safehold is \$1.178m, calculated as iStar's ownership of 40.3m shares of SAFE at the October 31, 2022 closing stock price of \$29.25.

# Supplemental iPIP Information

	As of September 30, 2022	Sensitivity analysis	
Total Equity	\$1,697,630	Change in price of SAFE common stock	+\$10    -\$10
Less: Non controlling interests	(17,311)		
Less: Preferred equity	(305,000)	Change in incremental iPIP amount	(\$67,073)    \$43,526
<b>Total Common Equity</b>	<b>1,375,319</b>	Change in SAFE mark-to-market adj.	402,791    (402,791)
Less: SAFE mark-to-market adjustment <sup>(1)</sup>	(261,313)	Change in total common equity (as adjusted)	\$335,717    (\$359,265)
Less: Incremental iPIP amount <sup>(2)</sup>	(24,645)	Common Equity Per Share Impact	\$3.87    (\$4.14)
<b>Total Common Equity (as adjusted)</b>	<b>\$1,069,361</b>		
Shares Outstanding	86,695		
<b>Common Equity per share (as adjusted)</b>	<b>\$12.33</b>		

The presentation above includes non-GAAP financial measures. It should be read in conjunction with the Company's audited financial statements and other information included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 and its unaudited financial statements in its Quarterly Report on Form 10-Q for the quarter ended September 30, 2022. The supplemental presentation is not intended to replace the GAAP financial statements. It is intended to be supplemental information to provide investors in the Company's securities with additional information about the Company's financial position.

Under the iPIP program, participants who hold vested interests are entitled to receive 20% of the disposition (or deemed disposition) proceeds of Company assets, if the Company has received a specified minimum return and only if the Company has achieved a minimum total stockholder return. If the Company's shares of SAFE common stock are the last material asset in an iPIP pool, the Company may elect not to sell the shares and in lieu thereof to distribute a portion of the shares to iPIP participants having a value based on the cash proceeds that would have been received by the Company from an actual sale of the SAFE shares, provided that the relevant performance and total stockholder return hurdles are satisfied.

There can be no assurance that the actual market prices of SAFE common stock or other Company assets in the future will align with the assumptions used to prepare the supplemental presentation. The Company owns 40.3m shares of SAFE, representing 64.8% of SAFE's shares outstanding. Given the substantial interest, the Company may not be able to liquidate its investment at the closing price of \$29.25 from October 31, 2022 or on any other day. The sensitivity analysis shown above is intended to give readers a sense of how the potential iPIP distributions may change as the market price of SAFE common stock changes because the shares of SAFE common stock owned by iStar are the largest asset in the iPIP plans. It is not intended to be a prediction of what the actual iPIP distributions may be. There are factors in addition to the market price of SAFE common stock that will affect the potential iPIP distributions that are not taken into account in the sensitivity analysis, including, without limitation, changes in the market price of iStar common stock and the performance of the other assets in the iPIP plans. For additional information about the iPIP program, please read the company's definitive Proxy Statement for its 2021 annual meeting filed with the SEC on April 2, 2021, and the definitive Proxy Statement for the 2022 annual meeting filed with the SEC on April 1, 2022.



Note: \$ in thousands. Figures in this table may not foot due to rounding.

(1) Market value of iStar's investment in Safehold is \$1.176m, calculated as iStar's ownership of 40.3m shares of SAFE at the October 31, 2022 closing stock price of \$29.25.

(2) Represents an estimate for the value of the total potential iPIP distribution less the amounts already accrued for as of September 30, 2022, assuming SAFE is valued at a price of \$29.25 per share and the Company's other assets perform in line with current underwriting expectations.

# Glossary

Dilution Gain	In circumstances where Safehold issues new equity that results in iStar having a smaller percentage ownership after the issuance than before the issuance, iStar shall account for the transaction pursuant to ASC 323-10-40-1: whereby iStar shall account for a share issuance by Safehold as if iStar had sold a proportionate share of its investment. Any gain or loss to iStar resulting from Safehold's share issuance shall be recognized in earnings.
Funding / Capex (Net Lease, Operating Properties, Land & Development)	Acquisition price, capitalized acquisition costs, capital expenditures, contributions to equity method investments, capitalized payroll and capitalized interest.
Funding / Capex (Real Estate Finance)	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.
Proceeds (Net Lease, Operating Properties, Land & Development)	Includes sales price for assets sold and other proceeds, less selling costs, less seller financing plus return of capital and distributed proceeds arising from sales within our equity method investments.
Proceeds (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.
Carrying Value	Net Real Estate Value for Net Lease, Operating Properties, Land & Development; Net Book Value for Real Estate Finance
Net Real Estate Value (Net Lease, Operating Properties, Land & Development)	Basis assigned to physical real estate property (net investment in leases, land & building), net of any impairments taken after acquisition date and net of basis reductions associated with unit / parcel sales, net of accumulated depreciation and amortization, plus our basis in equity method investments.
Net Book Value (Real Estate Finance)	Real Estate Finance Gross Book Value reduced for CECL allowances.



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.