

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): April 29, 2021

Maryland
(State or other jurisdiction of incorporation)

iStar Inc.
(Exact name of registrant as specified in its charter)
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 April 29, 2021, iStar Inc. issued an earnings release and made available on its website an earnings presentation for the quarter ended March 31, 2021. 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 April 29, 2021, iStar Inc. made available on its website an earnings presentation for the quarter ended March 31, 2021. 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.

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: April 29, 2021

By:

/s/ JEREMY FOX-GEEN

Jeremy Fox-Geen
Chief Financial Officer
(principal financial officer)

EXHIBIT INDEX

Exhibit Number	Description
99.1	Earnings Release
99.2	Earnings Presentation



Press Release

iStar Reports First Quarter 2021 Results

NEW YORK, April 29, 2021

iStar Inc. (NYSE: STAR) today reported results for the first quarter ended March 31, 2021.

Highlights for the quarter include:

- Net income (loss) of (\$0.4) million or (\$0.01) per diluted common share
- Adjusted earnings of \$22.7 million or \$0.30 per diluted common share
- \$56 million of legacy asset sales proceeds
- 6% net reduction of legacy asset portfolio
- Safehold position totals 34.8 million shares, representing \$2.4 billion in market value at quarter end

"In the first quarter we continued to scale the ground lease ecosystem, reduce our legacy asset portfolio, and maintain a strong balance sheet," said Jay Sugarman, Chairman and Chief Executive Officer. "We are pleased to see our progress begin to be reflected in the stock price and remain focused on executing our three-part strategy throughout the rest of the year."

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.

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:

1114 Avenue of the Americas
New York, NY 10036
T 212.930.9400
E investors@istar.com



Dial-In: 877.336.4436
International: 234.720.6984
Access Code: 9807315

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 April 29, 2021 through 12:00 a.m. ET on May 13, 2021 by calling:

Replay: 866.207.1041
International: 402.970.0847
Access Code: 4108868

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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.

Company Contact:

Jason Fooks

Senior Vice President

Investor Relations & Marketing

T 212.930.9400

E investors@istar.com

1114 Avenue of the Americas
New York, NY 10036
T 212.930.9400
E investors@istar.com



Q1 '21 Earnings Results

(NYSE: STAR)

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, 2021 and our Annual Report on Form 10-K for the year ended December 31, 2020. 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 performance of SAFE, 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 2020 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 first quarter may not be indicative of our future results. Readers are urged to read our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 when it is filed with the SEC 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.



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



I. Q1 '21 Highlights

Highlights

Scale Safehold

\$2.4b

Market Value of iStar's
Investment in Safehold⁽¹⁾

\$1.5b

Unrealized Gain⁽¹⁾

Strengthen Balance Sheet

\$4.8b

Unencumbered
Assets⁽²⁾

4.1 Years

W.A. Debt
Maturity

Simplify Business

\$56m

Legacy Asset
Sales Proceeds

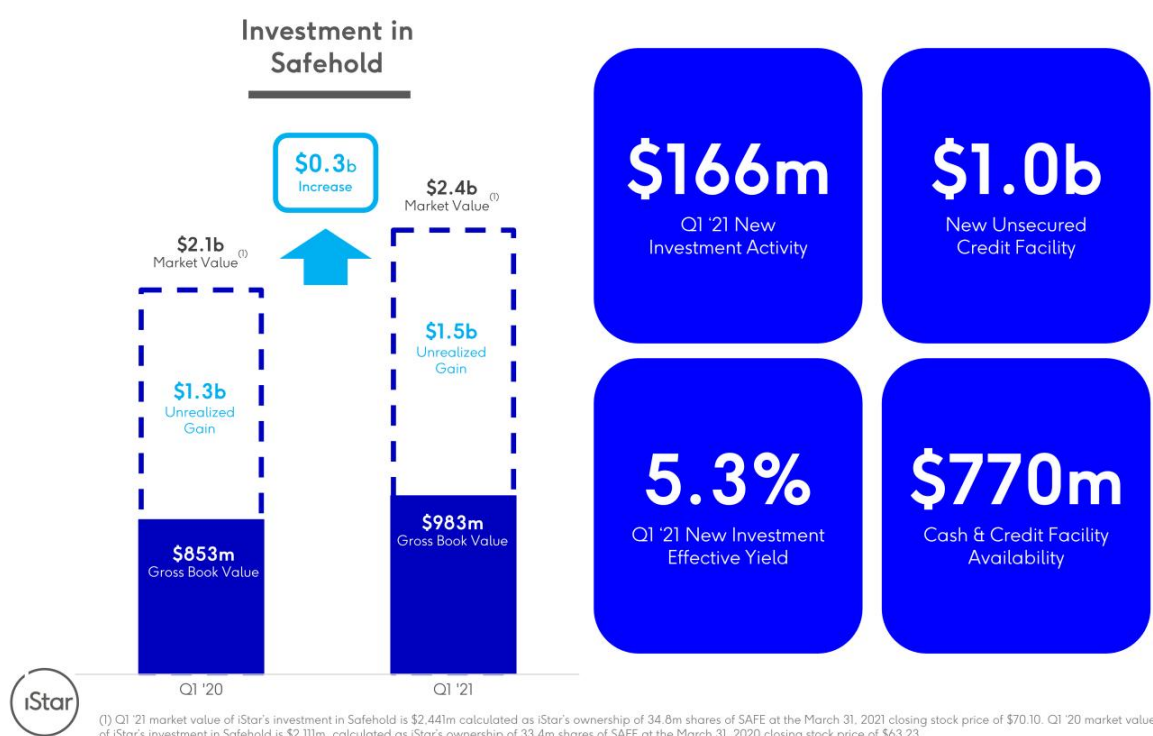
6%

Net Reduction of
Legacy Asset Portfolio



(1) Market value of iStar's investment in Safehold is \$2.441m, calculated as iStar's ownership of 34.8m shares of SAFE at the March 31, 2021 closing stock price of \$70.10. Unrealized gain is calculated as the difference between the \$2.441m market value and the \$983m Gross Book Value of iStar's investment in Safehold.
(2) Calculated using market value of iStar's ownership of SAFE of 34.8m shares at the March 31, 2021 closing stock price of \$70.10.

Safehold Highlights



Legacy Asset Progress

\$56m

Legacy asset
sales proceeds

6%

Net reduction of
legacy asset portfolio
since Q4 '20

Long-Term Assets



	GBV
Land & Development	\$288m
Operating Properties	\$193m

*4% net reduction to long-term portfolio
since Q4 '20*



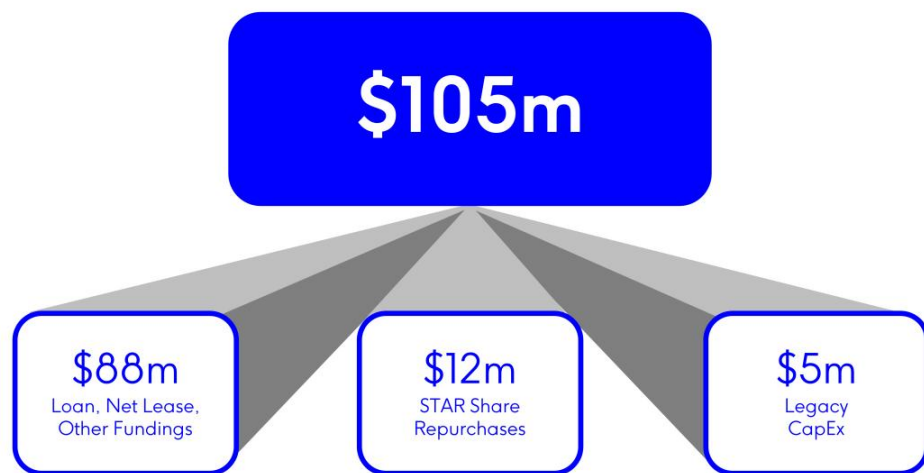
Short-Term Assets



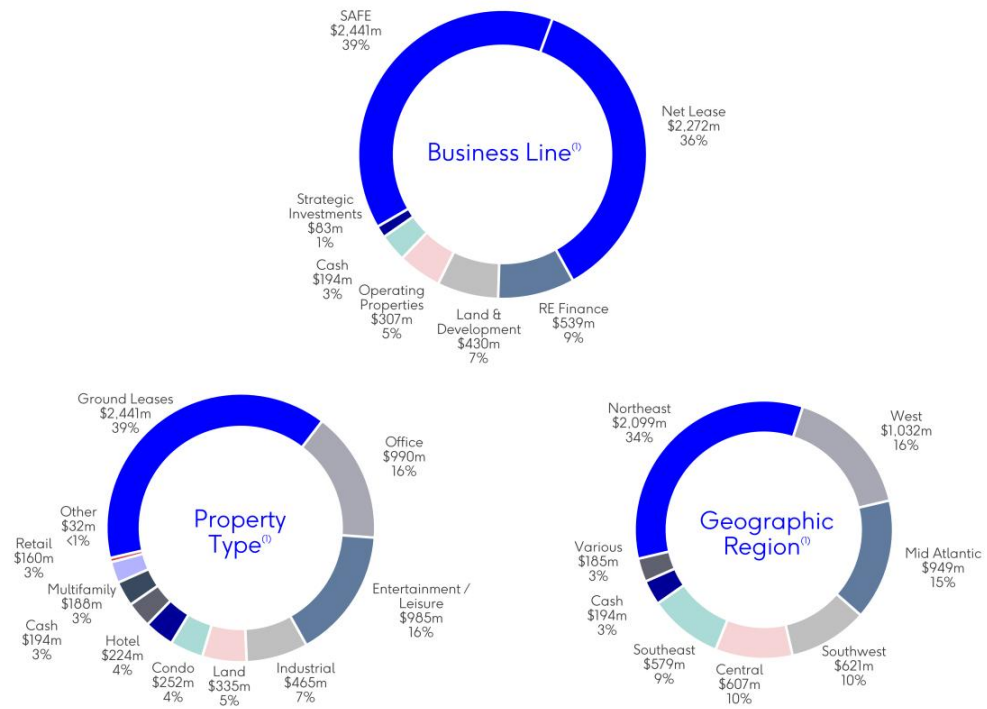
	GBV
Land & Development	\$141m
Operating Properties	\$57m

*11% net reduction to short-term portfolio
since Q4 '20*

Investment Activity



\$6.3b Diversified Portfolio



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 34.8m shares of SAFE at the March 31, 2021 closing stock price of \$70.10.

Earnings Results

	Q1 '21	Q1 '20	Y/Y Δ
Net Income (Loss) <i>(Allocable to Common Shareholders)</i>	(\$0.4m)	(\$21.5m)	+\$21.1m
W.A. Shares <i>(Diluted)</i>	73.9m	77.4m	
EPS (Loss) <i>(Diluted)</i>	(\$0.01)	(\$0.28)	+\$0.27

Adj. Earnings (Loss) <i>(Allocable to Common Shareholders)</i>	\$22.7m	\$10.7m	+\$12.0m
W.A. Shares <i>(Diluted)</i>	77.0m	77.7m	
AEPS (Loss) <i>(Diluted)</i>	\$0.30	\$0.14	+\$0.16

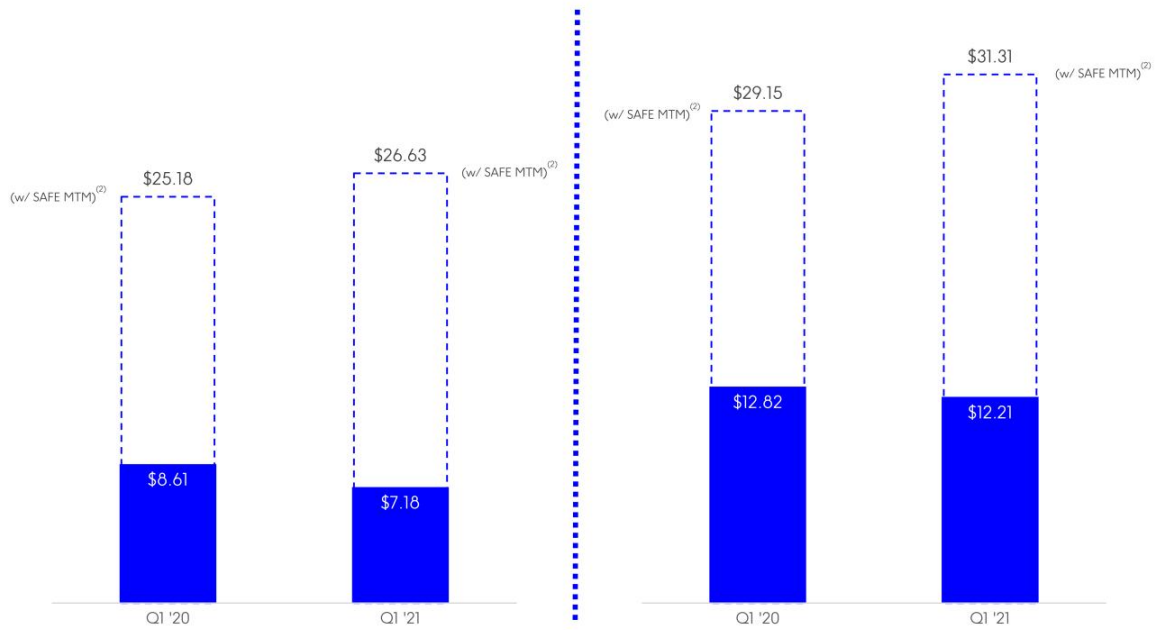


Note: Please refer to the "Adjusted Earnings Reconciliation" section of the Appendix for more information with regard to the calculation of this metric.

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: Q1 '21 SAFE mark-to-market value of iStar's investment in Safehold is \$2.441m, calculated as iStar's ownership of 34.6m shares of SAFE at the March 31, 2021 closing stock price of \$70.10. Q1 '20 SAFE mark-to-market value of iStar's investment in Safehold is \$2.111m, calculated as iStar's ownership of 33.4m shares of SAFE at the March 31, 2020 closing stock price of \$63.23.
(1) Presented diluted for the 2022 3.125% convertible notes which were "in the money" on March 31, 2021 based on the conversion ratio of 70.716 shares per \$1,000 of principal, which represents a strike price of \$14.14 per share.
(2) A portion of the profits realized on iStar's investment portfolio, including its investment in SAFE, is allocable to iStar's shareholder-approved long-term incentive plan. Additional information on iStar's iLip can be found in the 2020 Annual Report on Form 10-K and its 2020 Proxy Statement, both of which are available on our website.



II. Portfolio Overview

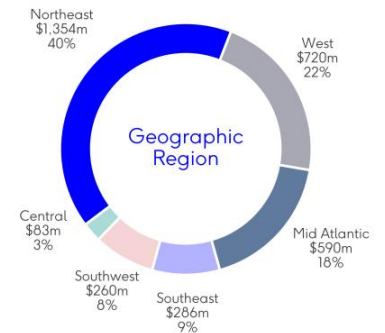
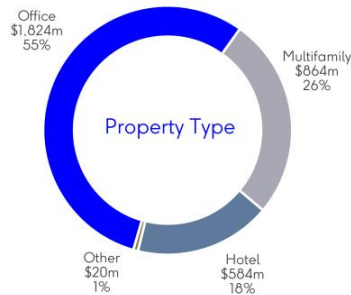
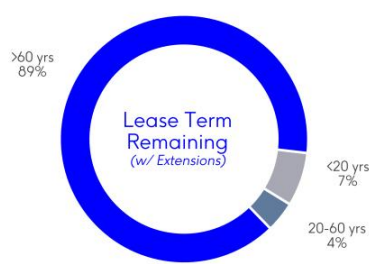
Safehold (NYSE: SAFE)

○ iStar's investment in SAFE

- 34.8m shares (65.4% of shares outstanding)⁽¹⁾
- Gross Book Value of \$983m or \$28.22 per share
- Market value of SAFE shares owned by iStar is \$2.4b based on closing price of \$70.10 per share on March 31, 2021

SAFE Earnings

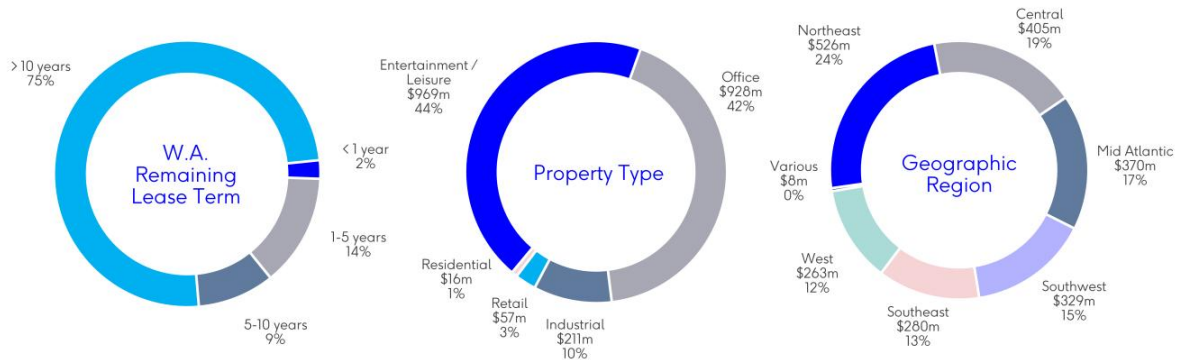
	Q1 '21
Revenue	\$43.5m
Net Income	\$16.9m
EPS	\$0.32



Note: \$ in millions. Graphs of SAFE's underlying portfolio are presented in Gross Book Value totaling \$3.292m and exclude \$103m of forward commitments. Please refer to the SAFE Earnings Presentation dated April 22, 2021, available on SAFE's website for a Glossary of defined terms.
 (1) iStar's discretionary voting in SAFE is capped at 41.9% and will vote remaining shares with respect to any matter in the same proportions as SAFE's non-iStar shareholders.

Net Lease Consolidated Assets

	Wholly-Owned (100% Ownership)	Net Lease Venture I (51.9% Ownership)	Total Consolidated
Gross Book Value	\$1,273m	\$908m	\$2,181m
Occupancy	99.0%	100.0%	99.3%
Square Feet (000s)	9,875	5,749	15,624
W.A. Remaining Lease Term	15.2 yrs	16.1 yrs	15.6 yrs
W.A. Yield	7.6%	8.2%	7.8%

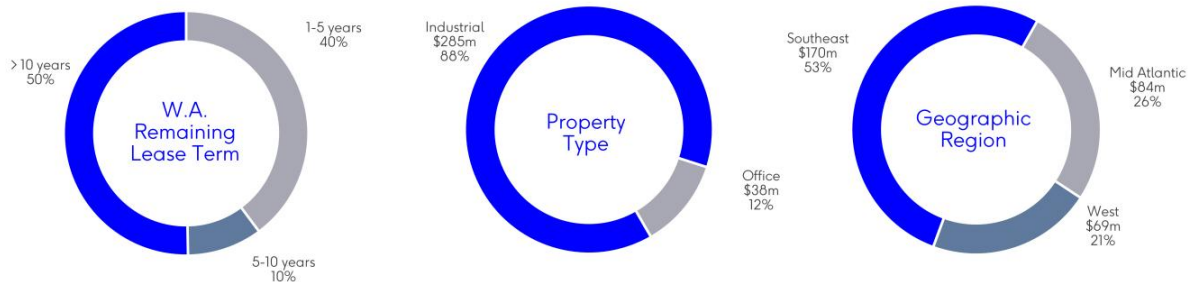


Note: \$ in millions. Please refer to the "Glossary" section of the Appendix for additional details regarding definitions and calculations.

Net Lease Venture II

	Net Lease Venture II (51.9% Ownership)
Gross Book Value	\$323m
Occupancy	100.0%
Square Feet (000s)	3,302
W.A. Remaining Lease Term	12.7 yrs
W.A. Yield	8.9%









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



Note: \$ in millions. 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.

Top Net Lease Assets

Top 10 net lease assets, which represent a total of \$1.7b of Gross Book Value, or 67% of the aggregate \$2.5b of Gross Book Value of the combined wholly-owned, NLJV I and NLJV II portfolios

Tenant (Sorted by GBV)		Property Type	Location	Portfolio	Inv. Grade	Lease Term Remaining	Annualized Base Rent	Contractual Rent Escalator
Bowlero (2 Master Leases)		Entertainment	149 Locations	Wholly-Owned		26.2 yrs	\$32.6m ⁽¹⁾	Fixed Bumps
Bowlero (Master Lease)		Entertainment	58 Locations	NLJV I		23.5 yrs	\$18.4m	Fixed Bumps
McCormick & Co.		Office	Cockeysville, MD	NLJV I	*	13.1 yrs	\$11.2m	Fixed Bumps
Cox Automotive		Office	North Hills, NY	NLJV I	*	13.3 yrs	\$8.2m	Fixed Bumps w/ CPI Adjustments
Indeed		Office	Austin, TX	Wholly-Owned	*	12.8 yrs	\$10.6m	Fixed Bumps
AMC Theaters (Master Lease)		Entertainment	4 Locations	Wholly-Owned		13.8 yrs	\$8.1m	Fixed Bumps + % Rent
Leading Financial Services Company		Office	Jersey City, NJ	Wholly-Owned	*	11.8 yrs	\$9.6m	Fixed Bumps
AT&T		Office	Oakton, VA	NLJV I	*	4.7 yrs	\$7.2m	Fixed Bumps
NYSE-Listed Transportation Services Company		Industrial	2 Locations	NLJV II		24.6 yrs	\$7.3m	Fixed Bumps
Bellisio Foods		Industrial	Jackson, OH	NLJV I		24.6 yrs	\$6.3m	Capped CPI Adjustments
Total/W.A.						19.2 yrs	\$119.7m	

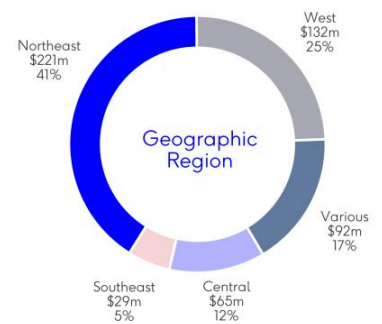
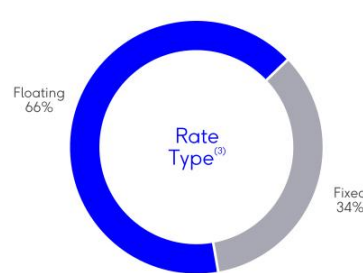
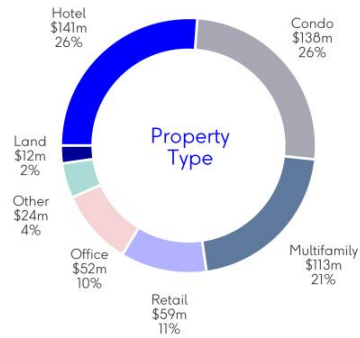


Note: Sorted by Gross Book Value, based on the value of the asset assuming 100% ownership. Annualized Base Rent (ABR) represents annualized cash rent assuming 100% ownership. iStar's equity interest in each of NLJV I and II is 51.9%.

(1) Bowlero's annualized base rent (ABR) represents the contractual annualized base rent under the terms of the current lease. iStar reached an agreement with Bowlero to defer a total of \$23 million of rent owed during the period from October 2020 to June 2021, of which \$7.6m of rent was deferred in Q1 '21. The deferred rent will accrue with interest to be repaid over two years commencing January 1, 2023. The ABR is presented as the next twelve-month rent following the deferral period.

Real Estate Finance

	Loans (\$)	W.A. Last \$ LTV	W.A. Yield	W.A. Maturity (yrs)
First mortgages / Senior debt ⁽¹⁾⁽²⁾	\$339m	62%	7.3%	2.2
Mezzanine / Subordinated debt ⁽¹⁾	144m	87%	8.0%	4.5
Total Performing Loans	\$483m	69%	7.5%	2.9
NPL	56m			
Total Real Estate Finance	\$539m			



Note: \$ in millions. Excludes loan 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 \$24m of other lending investments in first mortgages / senior debt and \$92m of other lending investments in mezzanine / subordinated debt.

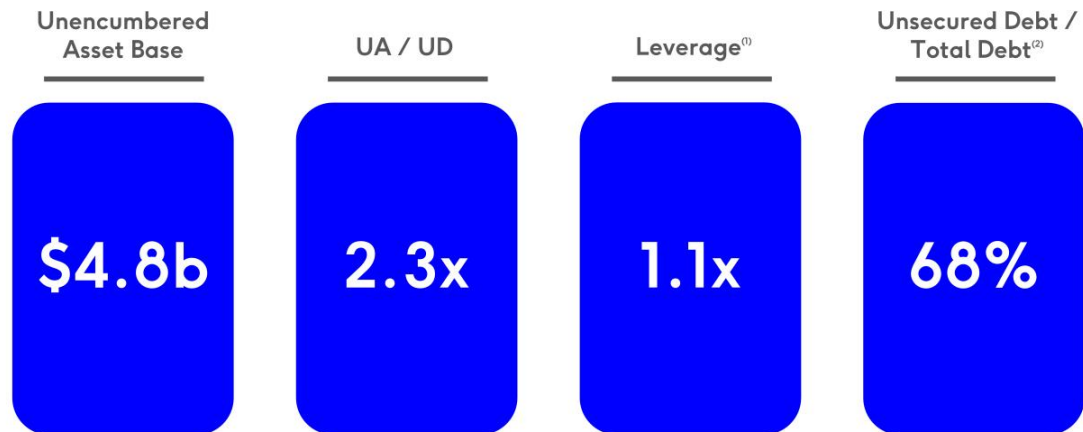
(2) Includes \$45m pro rata share of loans held within a joint venture.

(3) Excludes nonperforming loans.



III. Capital Structure

Credit Metrics



Note: Figures are presented using the SAFE mark-to-market value of iStar's investment in Safehold. Q1 '21 market value is \$2.441m, calculated as iStar's ownership of 34.8m shares of SAFE at the March 31, 2021 closing stock price of \$70.10.

(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 NLJV I debt.

Capital Structure Overview

As of 3/31/21

Credit Metrics	3/31/21	SAFE MTM ⁽¹⁾
Cash	\$194m	\$194m
Debt, net of cash	\$3,097m	\$3,097m
Total Equity, gross of NCI	\$1,051m	\$2,536m
Adj. Total Equity, gross of NCI	\$1,472m	\$2,930m
Leverage ⁽²⁾	2.1x	1.1x

Shares		
Shares Outstanding ⁽⁶⁾	76.3m	76.3m
Common Equity	\$548m	\$2,033m
Common Equity per Share	\$7.18	\$26.63
Adj. Common Equity	\$932m	\$2,390m
Adj. Common Equity per Share	\$12.21	\$31.31

Liquidity		
Cash	\$194m	
Revolving Credit Facility Availability	\$350m	
Total Liquidity	\$544m	

Adjusted
Total Equity
\$1.5b



Adjusted
Common
Equity
\$932m

Total Debt
\$3.3b⁽⁸⁾

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

(1) SAFE mark-to-market calculations based on the March 31, 2021 closing stock price of \$70.10 with respect to 34.8m 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 \$37m of the proportionate share of accumulated depreciation and amortization relating to noncontrolling interests.

(5) Represents liquidation preference of preferred equity.

(6) Presented diluted for the 2022 3.125% convertible notes which were "in the money" on March 31, 2021 based on their current conversion ratio of 70.716 shares per \$1,000 of principal, which represents a strike price of \$14.14 per share.

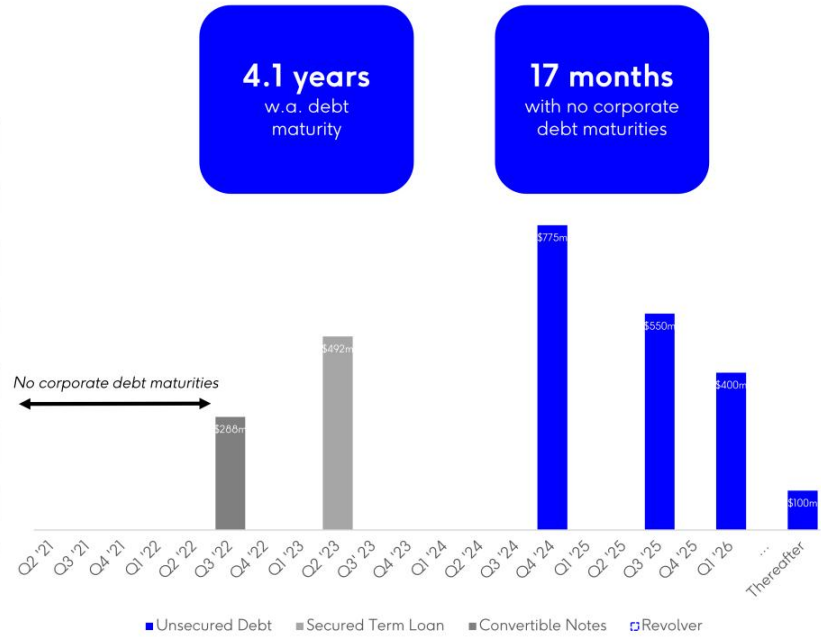
(7) Includes \$483m of consolidated, asset-specific non-recourse mortgage debt of NLJV I.

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



Corporate Debt Maturity Profile

Debt Profile		
2022 ⁽¹⁾		
Sep.	\$288m	3.125%
2023		
Jun.	\$492m	L + 275
2024		
Oct.	\$775m	4.75%
2025		
Aug.	\$550m	4.25%
2026		
Feb.	\$400m	5.50%
2035		
Oct.	\$100m	L + 150
Non-Recourse Mortgage Financings ⁽²⁾		
Various / W.A.	\$714m	4.44%
Total / W.A.⁽³⁾	\$3,318m	4.18%



Note: \$ in millions. Excludes extension options and revolving credit facility which was undrawn as of March 31, 2021.

(1) The 2022 3.125% convertible notes were "in the money" on March 31, 2021 with a conversion price of \$14.14 per share and a conversion of 70.716 shares per \$1,000 of principal.

(2) Represents individual non-recourse mortgages on net lease assets, including consolidated mortgage debt on assets held by NJJV I.

(3) Rates presented after giving effect to interest rate hedges.



IV. Appendix

Consolidated Statements of Operations

	Three Months Ended March 31,	
	2021	2020
Revenues		
Operating lease income	\$47,444	\$47,346
Interest income	10,650	17,216
Interest Income from sales-type leases	8,627	8,355
Other income	14,290	20,368
Land development revenue	32,249	80,176
Total revenues	\$113,260	\$173,461
Cost and Expenses		
Interest expense	\$39,563	\$43,392
Real estate expense	16,894	22,498
Land development cost of sales	29,323	77,059
Depreciation and amortization	15,455	14,486
General and administrative	15,931	18,001
General and administrative – stock-based compensation	5,508	16,270
(Recovery of) provision for loan losses	(3,794)	4,003
(Recovery of) provision for losses on net investment in leases	(1,601)	1,292
Impairment of assets	1,785	1,708
Other expense	253	74
Total costs and expenses	\$119,317	\$198,783
Income from sales of real estate	612	-
Income (loss) from operations before earnings from equity method investments and other items	(\$5,445)	(\$25,322)
Earnings from equity method investments	12,769	16,612
Income tax (expense) benefit	665	(60)
Loss on early extinguishment of debt	-	(4,115)
Net income (loss)	\$7,989	(\$12,885)
Net (income) loss attributable to noncontrolling interests	(2,520)	(2,691)
Net income (loss) attributable to iStar	\$5,469	(\$15,576)
Preferred dividends	(5,874)	(5,874)
Net loss allocable to common shareholders	(\$405)	(\$21,450)



Note: \$ in thousands.

Earnings per Share

	Three Months Ended March 31,	
Earnings Information for Common Shares	2021	2020
Net income (loss) ⁽¹⁾		
Basic	(\$0.01)	(\$0.28)
Diluted	(\$0.01)	(\$0.28)
Adjusted earnings (loss)		
Basic	\$0.31	\$0.14
Diluted	\$0.30	\$0.14
Weighted average shares outstanding		
Basic	73,901	77,444
Diluted (for net income)	73,901	77,444
Diluted (for adjusted earnings)	76,990	77,651
Common shares outstanding at the end of period (basic)	73,440	77,059



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 Ended March 31,	
	2021	2020
Net income (loss) allocable to common shareholders	(\$405)	(\$21,450)
Add: Depreciation and amortization	17,629	15,056
Add: Stock-based compensation expense	5,508	16,270
Add: Non-cash loss on early extinguishment of debt & preferred stock	-	799
Adjusted earnings allocable to common shareholders	\$22,732	\$10,675

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, reducing our legacy portfolio to approximately 15% of our overall portfolio as of March 31, 2021, 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. Effective for the first quarter 2020, management determined that a modified non-GAAP earnings metric, designated "adjusted earnings," is the metric it uses to assess our execution of this strategy and the performance of our operations. Adjusted earnings reflects impairment charges and loan provisions in the same period in which they are recognized in net income (loss) prepared in conformity with generally accepted accounting principles in the United States of America ("GAAP"), rather than in a later period when the asset is sold. We believe this change is appropriate as legacy asset sales have become less central to our business, even though sales may be material to particular periods when they occur. 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"). All prior periods have been calculated in accordance with this definition. 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 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 March 31, 2021	As of December 31, 2020
Assets		
Real Estate		
Real estate, at cost	\$1,753,378	\$1,752,053
Less: accumulated depreciation	(278,985)	(267,772)
Real estate, net	1,474,393	1,484,281
Real estate available and held for sale	2,600	5,212
Total real estate	1,476,993	1,489,493
Net investment in leases	431,126	429,101
Land and development, net	406,781	430,663
Loans receivable and other lending investments, net	533,716	732,330
Loan receivable held for sale	16,086	-
Other investments	1,237,295	1,176,560
Cash and cash equivalents	193,852	98,633
Accrued interest and operating lease income receivable, net	8,686	10,061
Deferred operating lease income receivable, net	60,812	58,128
Deferred expenses and other assets, net	428,244	436,839
Total Assets	\$4,793,591	\$4,861,808
Liabilities and Equity		
Accounts payable, accrued expenses, and other liabilities	\$451,010	\$467,922
Liabilities associated with properties held for sale	231	27
Loan participations payable, net	-	42,501
Debt obligations, net	3,291,343	3,286,975
Total Liabilities	\$3,742,584	\$3,797,425
Total iStar shareholders' equity	\$853,326	\$870,969
Noncontrolling interests	197,681	193,414
Total Equity	\$1,051,007	\$1,064,383
Total Liabilities and Equity	\$4,793,591	\$4,861,808



Note: \$ in thousands.

Adjusted Common Equity Reconciliation

	As of March 31, 2021	As of March 31, 2020
Total shareholders' equity	\$853,326	\$968,118
Less: Liquidation preference of preferred stock	(305,000)	(305,000)
Common shareholders equity	\$548,326	\$663,118
Add: Accumulated depreciation and amortization ⁽¹⁾	309,139	267,523
Add: Proportionate share of depreciation and amortization within equity method investments	55,753	32,708
Add: CECL allowance	19,007	24,610
Adjusted common equity	\$932,226	\$987,959
Common shares outstanding – basic	73,440	77,059
Common shares outstanding – convertible dilution ⁽²⁾	76,334	77,059
Common equity per share with convertible dilution	\$7.18	\$8.61
Common equity per share with SAFE MTM and convertible dilution	\$26.63	\$25.18
Adjusted common equity per share with convertible dilution	\$12.21	\$12.82
Adjusted common equity per share with SAFE MTM and convertible dilution	\$31.31	\$29.15

Note: Amounts in thousands, except for per share data. Q1 '21 SAFE mark-to-market value of iStar's investment in Safehold is \$2.441m, calculated as iStar's ownership of 34.8m shares of SAFE at the March 31, 2021 closing stock price of \$70.10. Q1 '20 SAFE mark-to-market value of iStar's investment in Safehold is \$2.111m calculated as iStar's ownership of 33.4m shares of SAFE at the March 31, 2020 closing stock price of \$63.23. 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) Presented diluted for the 2022 3.125% convertible notes which were "in the money" on March 31, 2021 based on their current conversion ratio of 70.716 shares per \$1,000 of principal, which represents a strike price of \$14.14 per share.



Q1 '21 Gross Book Value Reconciliation

	Real Estate Finance	Net Lease	Operating Properties	Land & Development	Corporate / Other	Total
Real estate, net	-	\$1,283	\$191	-	-	\$1,474
Real estate available and held for sale	-	-	3	-	-	3
Net investment in leases	-	431	-	-	-	431
Land and development, net	-	-	-	407	-	407
Loans receivable and other lending investments, net	487	46	-	-	-	534
Loan receivable held for sale	-	16	-	-	-	16
Real estate-related intangibles, net	-	104	3	-	-	106
Other investments	45	1,040	57	12	83	1,237
Net Book Value	\$532	\$2,921	\$254	\$419	\$83	\$4,208
Add: Accumulated depreciation and CECL allowance	7	271	19	11	-	307
Add: Accumulated amortization related to intangibles	-	30	13	-	-	42
Add: Proportionate share of joint venture accumulated depreciation and amortization	-	34	22	-	-	56
Gross Book Value	\$539	\$3,255	\$307	\$430	\$83	\$4,614
Add: Cash	-	-	-	-	194	194
Add: SAFE MTM ⁽¹⁾	-	1,458	-	-	-	1,458
Portfolio Gross Book Value	\$539	\$4,713	\$307	\$430	\$277	\$6,266



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

(1) Market value of iStar's investment in Safehold is \$2.441m, calculated as iStar's ownership of 34.8m shares of SAFE at the March 31, 2021 closing stock price of \$70.10. Unrealized gain is calculated as the difference between the \$2.441m market value and the \$983m Gross Book Value of iStar's investment in Safehold.

Glossary

Annualized Base Rent (ABR)	Contractual cash base rent for the current quarter, annualized.
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, plus our basis in equity method investments, less purchase discounts and specific reserves. This amount is not reduced for CECL allowances.
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 CECL allowances.
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 GAAP operating lease income less operating expenses for the quarter, annualized, divided by the average Gross Book Value during the quarter.
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.

