

**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): May 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 May 3, 2022, iStar Inc. issued an earnings release and made available on its website an earnings presentation for the quarter ended March 31, 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 May 3, 2022, iStar Inc. made available on its website an earnings presentation for the quarter ended March 31, 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.
-



Press Release

iStar Reports First Quarter 2022 Results

NEW YORK, May 3, 2022

iStar Inc. (NYSE: STAR) today reported results for the first quarter ended March 31, 2022.

Highlights for the quarter include:

- Net income of \$610.9 million or \$8.85 per diluted common share
- Adjusted earnings of \$607.5 million or \$7.79 per diluted common share
- iStar closed previously announced sale of a portfolio of net lease assets for a gross purchase price of \$3.07 billion resulting in approximately \$585 million net positive impact to common equity
- Safehold closed \$677 million¹ of new originations, bringing Safehold's total aggregate portfolio to \$5.5 billion

- \$1.2 billion consolidated secured debt repaid within the quarter

"We made significant progress on our three part strategic plan during the first quarter, simplifying our business with the closing of our Net Lease portfolio, continuing to help scale Safehold and ground lease-adjacent businesses, and strengthening the balance sheet with the extinguishment of over \$1 billion of secured debt," said Jay Sugarman, Chairman and Chief Executive Officer. "We were pleased to see the positive impact on earnings, liquidity and the balance sheet during the quarter and remain focused on continuing to execute on our core strategies."

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.

¹ Investments in Q1 '22 include \$158m 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: 877.336.4440
International: 409.207.6984
Access Code: 1172935

A replay of the call will be archived on the Company's website. Alternatively, the replay can be accessed via dial-in from 2:30 p.m. ET on May 3, 2022 through 12:00 a.m. ET on May 17, 2022 by calling:

Replay: 866.207.1041
International: 402.970.0847
Access Code: 9197888

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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:

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Q1 '22
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, 2022 and our Annual Report on 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 general economic conditions and conditions in the commercial real estate and credit markets including, without limitation, the impact of inflation on rising interest rates, 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 the pricing and timing of any such sales, 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 2021 Annual Report on Form 10-K, and any updates thereto made in our subsequent filings with the SEC.

Note re Pro Forma Financial Presentation: This presentation presents financial information on a pro forma basis, giving full effect to the net lease transaction, including estimated distributions to be made to partners in the net lease funds and to holders of interests in the Company's incentive performance program, "iPIP." In addition, the pro forma presentation includes an estimate for the value of the total potential iPIP distribution less the amounts already accrued for as of March 31, 2022, assuming SAFE is valued at a price of \$43.05 per share and the Company's other assets perform with current underwriting expectations. Additional information on iPIP can be found in the 2021 Annual Report on Form 10-K and its 2021 Proxy Statement, both of which are available on our website.

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 Annual Report on Form 10-K for the year ended December 31, 2021 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.

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

Investor Relations Contact

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I. Highlights

Q1 '22 Highlights

Simplifying the Business

\$3.07b

Gross Sales Price of
Net Lease Assets

~\$585m

Net Positive Impact
to Common Equity

Momentum at Safehold

\$677m

New Originations
at Safehold

\$1.3b

Increase in UCA
at Safehold

Strengthening the Balance Sheet

\$1.2b

Consolidated Debt Extinguished
Within the Quarter

\$194m

Convertible Note Exchange⁽¹⁾



(1) Subsequent to quarter end, iStar completed privately negotiated exchange transactions with certain holders of its 3.125% Convertible Senior Notes due 2022 in which the holders exchanged \$194 million aggregate principal amount of the convertible notes for an aggregate of 13.75 million newly issued shares of its common stock and \$14 million of cash, and we retired the exchanged notes.

Earnings Results

	Q1 '22	Q1 '21
Net Income (Loss) <i>(Allocable to Common Shareholders)</i>	\$610.9m	(\$0.4m)
W.A. Shares <i>(Diluted)</i>	69.0m	73.9m
EPS <i>(Diluted)</i>	\$8.85	(\$0.01)

Adj. Earnings <i>(Allocable to Common Shareholders)</i>	\$607.5m	\$22.7m
W.A. Shares <i>(Diluted)</i>	78.0m	77.0m
AEPS <i>(Diluted)</i>	\$7.79	\$0.30

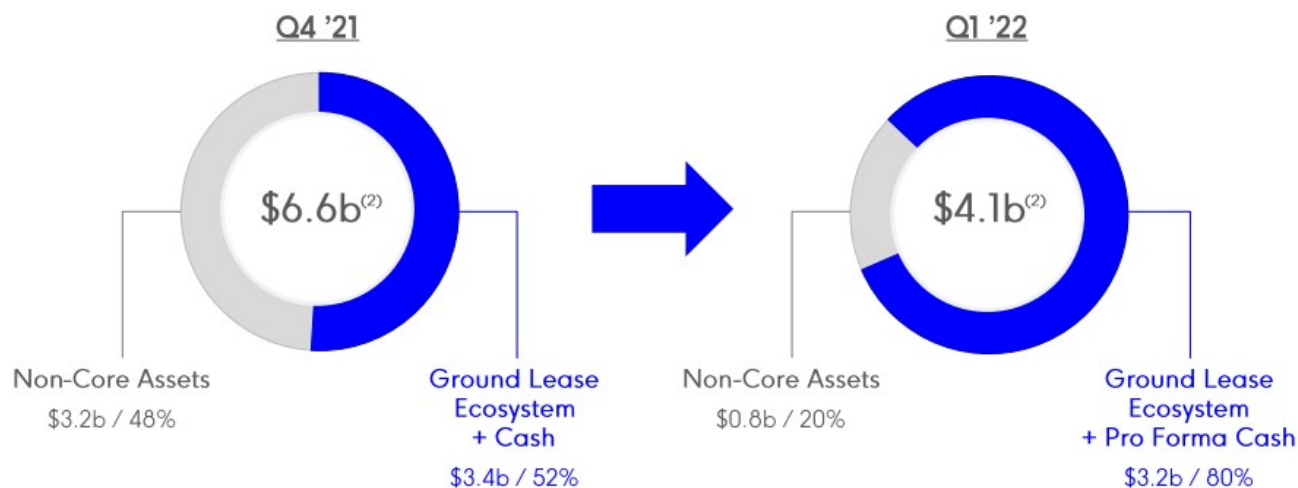


Note: Please refer to the "Adjusted Earnings Reconciliation" section of the Appendix for more information with regard to the calculation of this metric.

Net Lease Transaction Impact

In Q1 '22, completed the previously announced sale of a portfolio of net lease assets for a **gross sales price of \$3.07 billion and net cash proceeds of ~\$1.2 billion⁽¹⁾**.

As a result of the net lease transactions, iStar's portfolio is primarily comprised of ground lease and ground lease adjacent assets.



Note: For more details on the pro forma impacts please see "Supplemental Financial Data" in the Appendix.

(1) Proceeds are net of debt repayments, debt prepayment fees, partner distributions, transaction fees, and other miscellaneous items.

(2) Reflects assets at carrying value except that SAFE shares are reflected at market value. Q1 '22 SAFE market value of iStar's investment in SAFE is \$1,725m, calculated as iStar's ownership of 40.1m shares of SAFE at the April 29, 2022 closing stock price of \$43.05. Q4 '21 SAFE market value of iStar's investment in SAFE is \$2,922m, calculated as iStar's ownership of 36.6m shares of SAFE at the December 31, 2021 closing stock price of \$79.85.

iStar Overview

iStar's strategy is focused on the **origination and growth** of the Ground Lease Ecosystem

Pro Forma Simplified Balance Sheet

In millions, except per share data

Total Assets		Total Liabilities and Equity	
Cash	\$1,410	iPIP liability	\$64
<u>Ground Lease Ecosystem</u>		AP and other liabilities	96
Safehold (incl. MTM ⁽¹⁾)	1,725	Debt obligations, net	2,084
Other Ground Lease Ecosystem	97	Total Liabilities	2,244
Total GL Ecosystem (excl. cash)	1,822	Total Equity	1,813
<u>Non-Core Assets</u>		Total Liabilities & Equity	\$4,057
RE Finance	332	Total Equity (incl. SAFE MTM)	1,813
Legacy and Strategic	437	Less: Non controlling interests	(12)
Other assets, net	56	Less: Preferred Equity	(305)
Total Non-Core Assets	825	Less: iPIP Estimated Distribution ⁽²⁾	(105)
		Common Equity (as adjusted)	\$1,391
Total Assets (incl. SAFE MTM)	\$4,057	Diluted Shares Outstanding	78.4
		Common Equity per share	\$17.75

Note: For more details on the pro forma impacts please see "Supplemental Financial Data" in the Appendix.

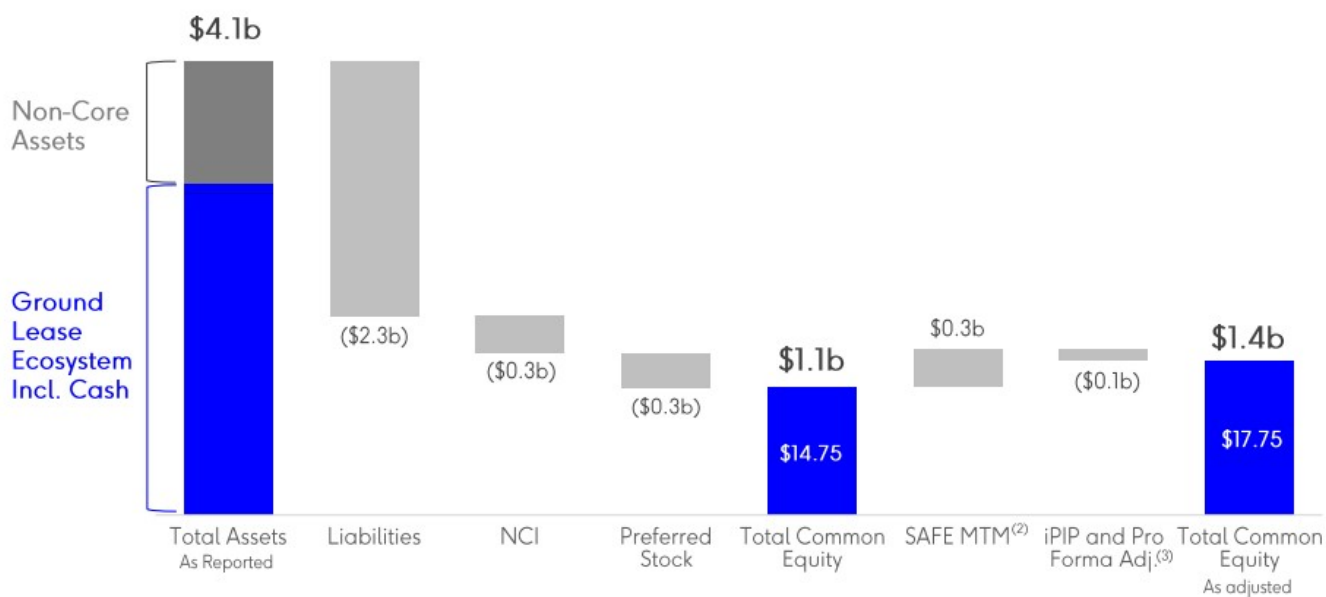
(1) Q1 '22 SAFE market value of iStar's investment in SAFE is \$1,725m, calculated as iStar's ownership of 40.1m shares of SAFE at the April 29, 2022 closing stock price of \$43.05.

(2) Represents an estimate for the value of the total potential iPIP distribution less the amounts already accrued for as of March 31, 2022, assuming SAFE is valued at a price of \$43.05 per share and the Company's other assets perform with current underwriting expectations.



Equity Value per Share

Common Equity per Share⁽¹⁾



Note: Please refer to the "Supplemental Financial Data" in the Appendix for more details.

(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 72.3126 shares per \$1,000 of principal (a conversion price of \$13.83 per share) using the Q1 '22 average closing stock price.

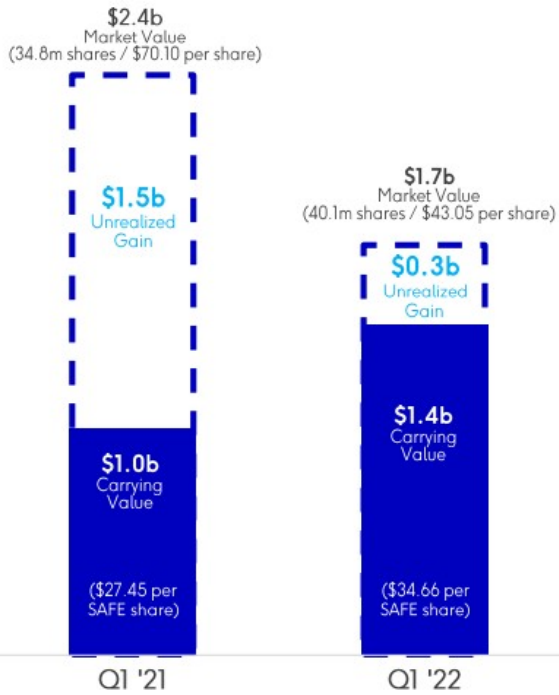
(2) Q1 '22 SAFE MTM adjustment is calculated as the difference between the carrying value and market value of iStar's investment where market value is calculated as iStar's ownership of 40.1m shares of SAFE at the April 29, 2022 closing stock price of \$43.05.

(3) A portion of the profits realized on iStar's investment portfolio, including the sale of the net lease portfolio and, its investment in SAFE, is allocable to iPIP, iStar's shareholder-approved long-term incentive plan. The figures pro forma the full estimated value of the potential iPIP distributions assuming SAFE is valued at a price of \$43.05 per share and the Company's other assets perform with current underwriting expectations. Additional information on iStar's iPIP can be found in the 2021 Annual Report on Form 10-K and its 2021 Proxy Statement, both of which are available on our website.



iStar's Investment in Safehold

Q1 '22 Safehold Progress



\$677m
Q1 '22 New Originations at Safehold

\$309m
Equity Raised by Safehold

\$1.15b
Cash & Credit Facility Availability

35%
Quarterly Y/Y EPS Growth at Safehold

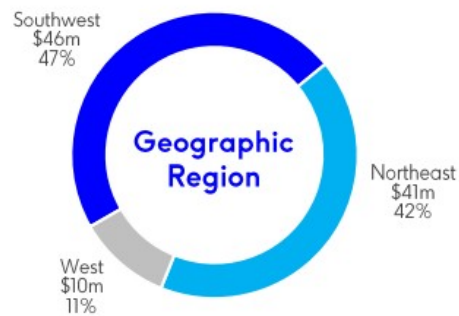


Note: Please refer to the SAFE Earnings Presentation dated April 21, 2022, available on SAFE's website for a Glossary of defined terms. Q1 '21 share price as of March 31, 2021 and Q1 '22 share price as of April 29, 2022.

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	\$97m
# of Assets	7
Targeted Returns	9 - 12%
Unfunded Commitments	\$116m



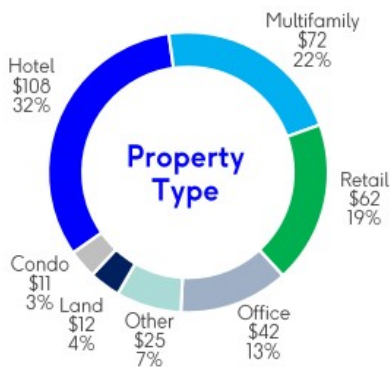
Note: Figures are based on carrying value, which represents iStar's pro rata share of investment in ground lease and leasehold loan assets.

RE Finance & Legacy and Other Strategic Assets

RE Finance

(Non-Ground Lease Ecosystem)

	Loans (\$)	W.A. Last \$ LTV	W.A. Yield	W.A. Maturity (yrs)
Loan Receivables	\$152m	61%	7.4%	3.3
Other lending investments	121m	-	6.7%	6.0
Total Performing Loans	\$273m	61%	7.1%	4.5
NPL	59m			
Total Real Estate Finance ⁽¹⁾	\$332m			



(1) Excludes iStar's \$5m investment in leasehold loans reported within the RE Finance segment.

Legacy and Strategic Assets

Short-Term Legacy and Other Strategic Assets:

17 assets across Land & Development, Operating Properties and Corporate



Long-Term Legacy: 2 projects across Land & Development and Operating Properties



Investment Activity

\$247m

\$202m

Investment
in SAFE

\$29m

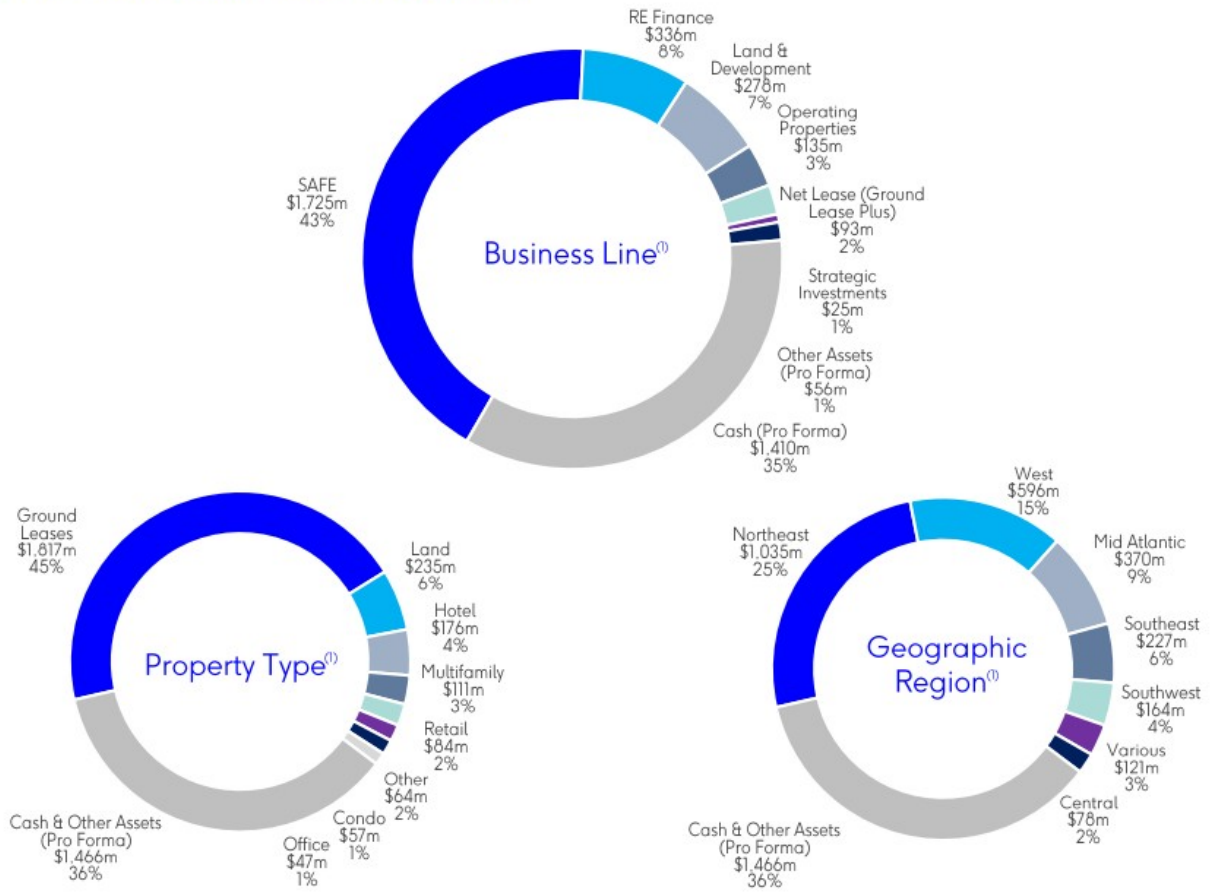
Ground Lease Plus
and Leasehold Loan
Fundings

\$16m

Loan Fundings,
Legacy CapEx
and Other



\$4.1b 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). For more details on the pro forma impacts please see "Supplemental Financial Data" in the Appendix.
 (1) SAFE market value is calculated as iStar's ownership of 40.1m shares of SAFE at the April 29, 2022 closing stock price of \$43.05.

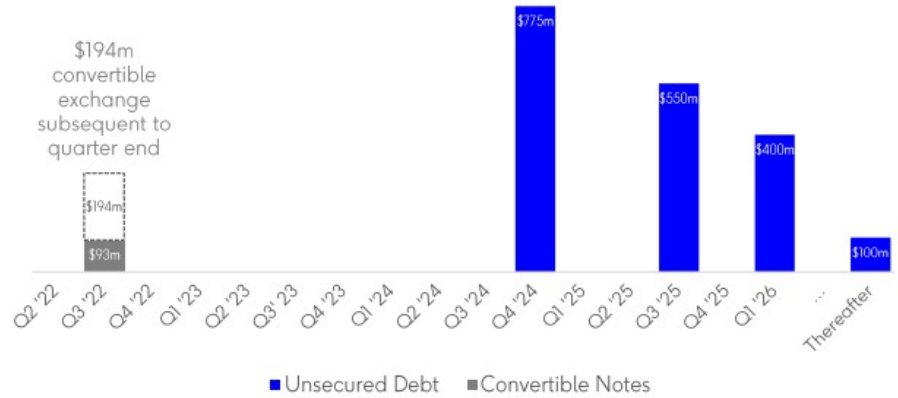
Corporate Debt Maturity Profile

Debt Profile

2022 ⁽¹⁾		
Sep.	\$288m	3.125%
2024		
Oct.	\$775m	4.75%
2025		
Aug.	\$550m	4.25%
2026		
Feb.	\$400m	5.50%
2035		
Oct.	\$100m	L + 150
Total / W.A.	\$2,113m	4.43%

3.2 years

w.a. debt maturity



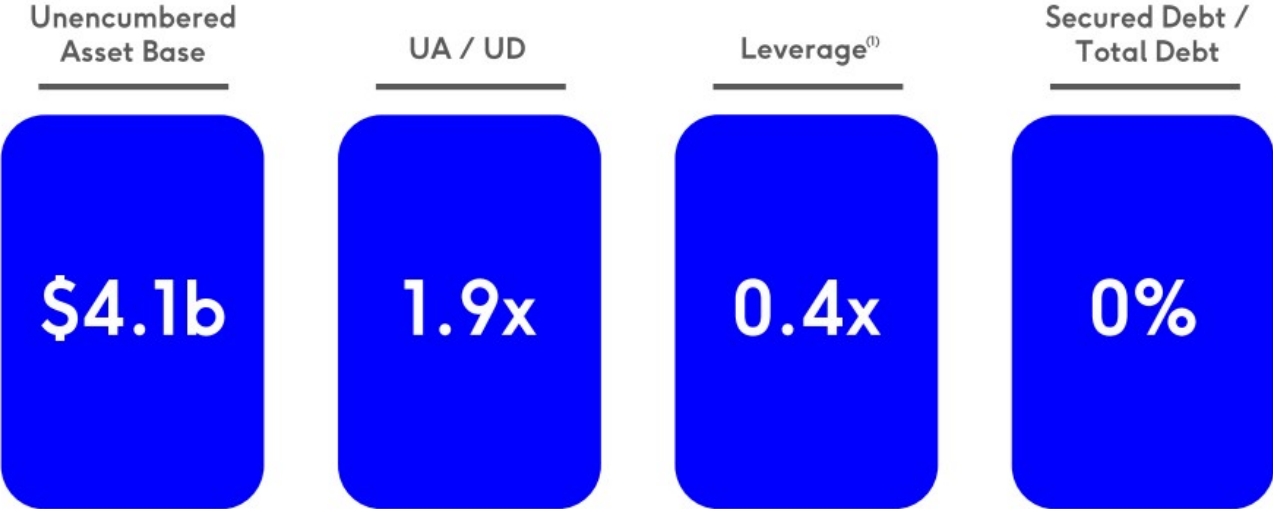
Note: \$ in millions. Excludes extension options and revolving credit facility which was undrawn as of March 31, 2022.

(1) The 2022 3.125% convertible notes were "in the money" on March 31, 2022 with a conversion price of \$13.83 per share and a conversion of 72,3126 shares per \$1,000 of principal using the Q1 '22 average closing stock price.



II. Capital Structure

Credit Metrics



Note: Figures are presented using the SAFE market value of iStar's investment in SAFE. Q1 '22 SAFE market value of iStar's investment in SAFE is \$1.725m, calculated as iStar's ownership of 40.1m shares of SAFE at the April 29, 2022 closing stock price of \$43.05. Figures are presented on a pro forma basis; for more details on the pro forma impacts please see "Supplemental Financial Data" in the Appendix.
(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. Please refer to the "Capital Structure Overview" section of the presentation for more information.

Capital Structure Overview

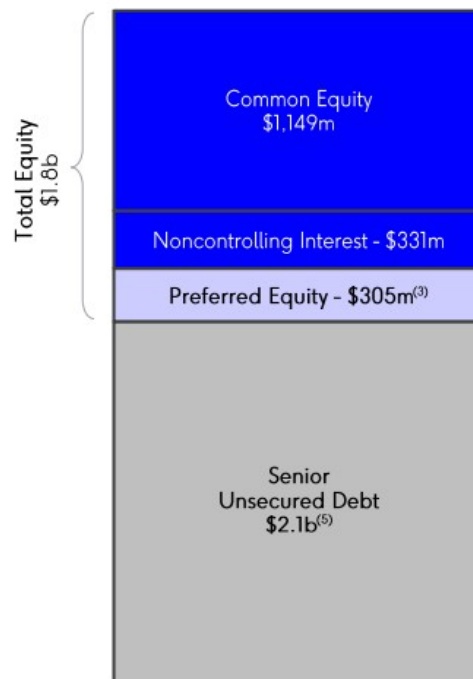
Credit Metrics	3/31/22	SAFE MTM and iPIP Adj. ⁽¹⁾⁽⁷⁾	Pro Forma ⁽¹⁾⁽⁶⁾⁽⁷⁾
Cash	\$1,500m	\$1,500m	\$1,410m
Debt	\$2,084m	\$2,084m	\$2,084m
Debt, net of cash	\$584m	\$584m	\$675m
Total Equity, gross of NCI	\$1,785m	\$2,016m	\$1,707m
Leverage ⁽²⁾	0.33x	0.29x	0.40x

Shares

Shares Outstanding ⁽⁴⁾	77.9m	77.9m	78.4m
Common Equity	\$1,149m	\$1,380m	\$1,391m
Common Equity per Share	\$14.75	\$17.71	\$17.75

Liquidity

Cash	\$1,500m	\$1,500m	\$1,410m
Revolving Credit Facility Availability	\$60m	\$60m	\$60m
Total Liquidity	\$1,560m	\$1,560m	\$1,470m



(1) SAFE mark-to-market calculations based on the April 29, 2022 closing stock price of \$43.05 with respect to 40.1m 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) Presented diluted for the 2022 3.125% convertible notes which were "in the money" on March 31, 2022 based on their current conversion ratio of 72.3126 shares per \$1,000 of principal, which represents a conversion price of \$13.83 per share using the Q1 '22 average closing stock price.

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

(6) For more details on the pro forma impacts, please see "Supplemental Financial Data" in the Appendix.

(7) A portion of the profits realized on iStar's investment portfolio, including the sale of the net lease portfolio and, its investment in SAFE, is allocable to iPIP, iStar's shareholder-approved long-term incentive plan. The figures pro forma the full estimated value of the potential iPIP distributions. Additional information on iStar's iPIP can be found in the 2021 Annual Report on Form 10-K and its 2021 Proxy Statement, both of which are available on our website.





III. Appendix

Consolidated Statements of Operations

	Three Months Ended March 31,	
	2022	2021
Revenues		
Operating lease income	\$3,109	\$4,931
Interest income	4,948	9,789
Interest income from sales-type leases	356	-
Other income	8,640	13,015
Land development revenue	14,900	32,249
Total revenues	\$31,953	\$59,984
Cost and Expenses		
Interest expense	\$29,243	\$28,809
Real estate expense	10,117	8,719
Land development cost of sales	14,496	29,323
Depreciation and amortization	1,357	2,401
General and administrative	13,802	15,931
General and administrative – stock-based compensation	(12,427)	5,508
Provision for (recovery of) for loan losses	135	(3,642)
Provision for net investment in leases	281	-
Impairment of assets	-	257
Other expense	930	253
Total costs and expenses	\$57,934	\$87,559
Income from sales of real estate	492	612
Loss from operations before earnings from equity method investments and other items	(\$25,489)	(\$26,963)
Loss on early extinguishment of debt	(1,428)	-
Earnings from equity method investments	25,032	11,768
Income tax (expense) benefit	(3)	698
Net loss from continuing operations	(\$1,888)	(\$14,497)
Net income from discontinued operations	797,688	22,486
Net income	\$795,800	\$7,989
Net loss from continuing operations attributable to noncontrolling interests	18	44
Net (income) from discontinued operations attributable to noncontrolling interests	(179,089)	(2,564)
Net income attributable to iStar	\$616,729	\$5,469
Preferred dividends	(5,874)	(5,874)
Net income (loss) allocable to common shareholders	\$610,855	(\$405)



Note: \$ in thousands

Earnings per Share

	Three Months Ended March 31,	
Earnings Information for Common Shares	2022	2021
Net loss from continuing operations and allocable to common shareholders ⁽¹⁾		
Basic & Diluted	(\$0.11)	(\$0.28)
Net income from discontinued operations and allocable to common shareholders		
Basic & Diluted	\$8.96	\$0.27
Net income allocable to common shareholders	\$8.85	(\$0.01)
Adjusted earnings		
Basic	\$8.80	\$0.31
Diluted	\$7.79	\$0.30
Weighted average shares outstanding		
Basic & Diluted (for net income)	69,037	73,901
Diluted (for adjusted earnings)	78,013	76,990
Common shares outstanding at the end of period	69,096	73,440



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,	
	2022	2021
Net income (loss) allocable to Common Shareholders	\$610,855	(\$405)
Add: Depreciation and amortization	4,002	17,629
Add: Stock-based compensation (income) expense	(12,427)	5,508
Add: Loss on early extinguishment of debt	5,109	-
Adjusted earnings allocable to common shareholders	\$607,539	\$22,732

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 March 31, 2022	As of December 31, 2021
Assets		
Real Estate		
Real estate, at cost	\$113,679	\$113,510
Less: accumulated depreciation	(22,245)	(21,360)
Real estate, net	91,434	92,150
Real estate available and held for sale	301	301
Total real estate	91,735	92,451
Real estate and other assets available and held for sale and classified as discontinued operations	226,309	2,299,711
Net investment in leases	28,131	43,215
Land and development, net	277,421	286,810
Loans receivable and other lending investments, net	331,839	332,844
Loan receivable held for sale	-	43,215
Other investments	1,526,019	1,297,281
Cash and cash equivalents	1,500,203	339,601
Accrued interest and operating lease income receivable, net	1,666	1,813
Deferred operating lease income receivable, net	3,046	3,159
Deferred expenses and other assets, net	97,682	100,434
Total Assets	\$4,084,051	\$4,840,534
Liabilities and Equity		
Accounts payable, accrued expenses, and other liabilities	\$198,886	\$236,732
Liabilities associated with real estate held for sale and classified as discontinued operations	15,963	968,419
Liabilities associated with properties held for sale	-	3
Debt obligations, net	2,084,252	2,572,174
Total Liabilities	\$2,299,101	\$3,777,328
Total iStar shareholders' equity	\$1,454,436	\$851,296
Noncontrolling interests	330,514	211,910
Total Equity	\$1,784,950	\$1,063,206
Total Liabilities and Equity	\$4,084,051	\$4,840,534



Note: \$ in thousands.

Pro Forma Supplemental Financial Data

	As of March 31, 2022	Pro Forma Adjustments	Pro Forma March 31, 2022
Assets			
Cash	\$1,500,203	(\$90,622)	\$1,409,581
Ground lease ecosystem			
SAFE stock	1,388,657	-	1,388,657
Leasehold loans	4,627	-	4,627
Ground lease plus	92,679	-	92,679
Total ground lease ecosystem	1,485,963	-	1,485,963
Non-core assets			
Real estate finance (loans)	331,839	-	331,839
Legacy and strategic	437,343	-	437,343
Real estate and other assets available and held for sale	226,309	(226,309)	-
Total non-core assets	995,491	(226,309)	769,182
Other balance sheet assets	102,394	(46,210)	56,184
Total Assets	\$4,084,051	(\$363,141)	\$3,720,910
<i>Total Assets incl. SAFE MTM</i>			<i>\$4,056,811</i>
Liabilities and Equity			
iPIP liability (accrued)	\$102,438	(\$38,851)	\$63,587
Accounts payable, accrued expenses and other liabilities	96,448	-	96,448
Debt obligations, net	2,084,252	-	2,084,252
Liabilities associated with real estate held for sale	15,963	(15,963)	-
Total Liabilities	\$2,299,101	(\$54,814)	\$2,244,287
Total Equity	1,784,950	(308,326)	\$1,476,624
Total Liabilities and Equity	\$4,084,051	(\$363,141)	\$3,720,910
Total equity	\$1,784,950	(\$308,326)	\$1,476,624
Less: Noncontrolling interest	(319,184)	318,622	(563)
Less: Noncontrolling interest – iPIP	(11,329)	-	(11,329)
Less: Preferred stock liquidation preference	(305,000)	-	(305,000)
Total common equity	1,149,437	10,296	1,159,732
Add: SAFE MTM adjustment	-	335,900	335,900
Less: Incremental iPIP amount (current estimate)	-	(105,123)	(105,123)
Total common equity (as adjusted)	1,149,437	241,073	1,390,509
Shares outstanding	77,925	432	78,358
Total common equity (as adjusted) / shares outstanding	\$14.75		\$17.75

Note: \$ and shares in thousands. SAFE MTM is calculated based on 40.1m shares of SAFE stock using the closing price on April 29, 2022 of \$43.05 per share



Q1 '22 Portfolio Reconciliation

	Real Estate Finance	Net Lease	Operating Properties	Land & Development	Corporate / Other	Total
Real estate, net	-	-	\$92	-	-	\$92
Real estate and other assets available and held for sale and classified as discontinued operations	-	\$226	-	-	-	224
Net investment in leases	-	28	-	-	-	28
Land and development, net	-	-	-	\$277	-	277
Loans receivable and other lending investments, net	\$332	-	-	-	-	332
Other investments	5	\$1,453	43	1	\$25	1,526
Carrying Value	\$336	\$1,707	\$135	\$278	\$25	\$2,481
Add: Cash and other assets	-	-	-	-	1,603	1,603
Add: SAFE MTM ⁽¹⁾	-	336	-	-	-	336
Less: Pro Forma Adjustments	-	(226)	-	-	(136)	(363)
Portfolio Carrying Value (Pro Forma)	\$336	\$1,817	\$135	\$278	\$1,491	\$4,057



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

(1) Market value of iStar's investment in Safehold is \$1.725m, calculated as iStar's ownership of 40.1m shares of SAFE at the April 29, 2022 closing stock price of \$43.05.

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.
Yield (Real Estate Finance)	Interest income, for the quarter, annualized, divided by the average Gross Book Value of Real Estate Finance.
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.
Gross Book Value (Real Estate Finance)	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.



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.