



Q2 '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 June 30, 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, sales of all or a portion of its net lease portfolio, 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 June 30, 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.



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I. Q2 '21 Highlights

Highlights

Scale Safehold

\$1.7b

Unrealized Gain⁽¹⁾

\$222m

Investment Activity
at Safehold

Strengthen Balance Sheet

\$5.1b

Unencumbered Assets⁽²⁾

BB

Credit Rating Upgrade
by Fitch

Simplify Business

\$34m

Legacy Asset
Sales Proceeds

\$167m

Legacy Asset Sales Proceeds
Subsequent to Quarter End

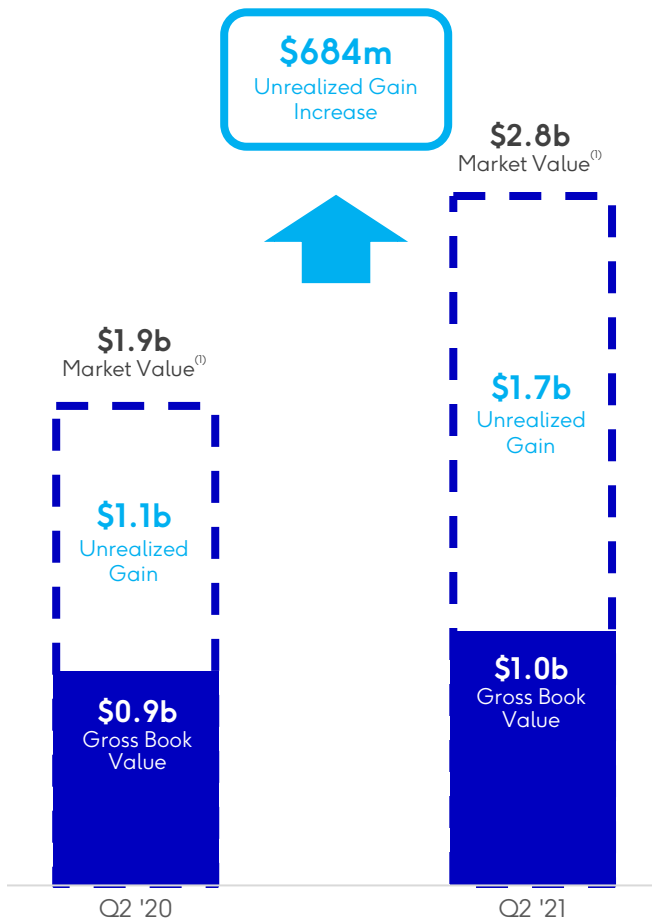


(1) Market value of iStar's investment in Safehold is \$2.764m, calculated as iStar's ownership of 35.2m shares of SAFE at the June 30, 2021 closing stock price of \$78.50. Unrealized gain is calculated as the difference between the \$2.764m market value and the \$1,018m Gross Book Value of iStar's investment in Safehold.

(2) Calculated using market value of iStar's ownership of SAFE of 35.2m shares at the June 30, 2021 closing stock price of \$78.50.

Safehold Progress

iStar's Investment in Safehold



\$222m

Q2 '21 New Investment Activity at Safehold

\$400m

of 2.8% Senior Notes due 2031 Issued by Safehold

\$374m

Q2 '21 UCA Growth

Ground Lease Plus

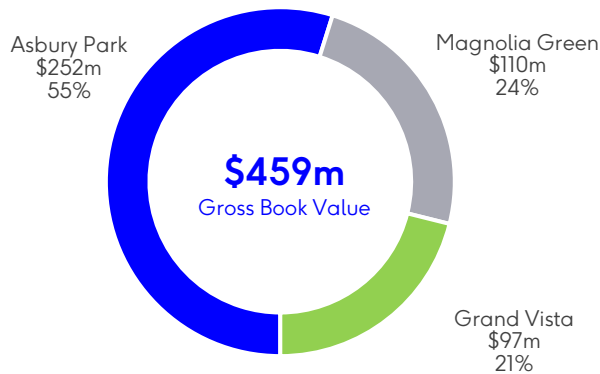


(1) Q2 '21 market value of iStar's investment in Safehold is \$2,764m calculated as iStar's ownership of 35.2m shares of SAFE at the June 30, 2021 closing stock price of \$78.50. Q2 '20 market value of iStar's investment in Safehold is \$1,923m, calculated as iStar's ownership of 33.4m shares of SAFE at the June 30, 2020 closing stock price of \$57.49.

Legacy Asset Progress

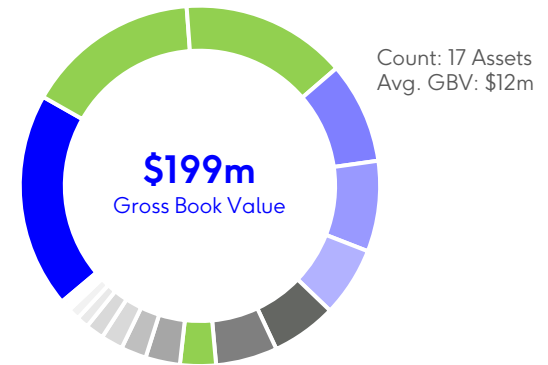


Long-Term Assets



	GBV
Land & Development	\$266m
Operating Properties	\$193m

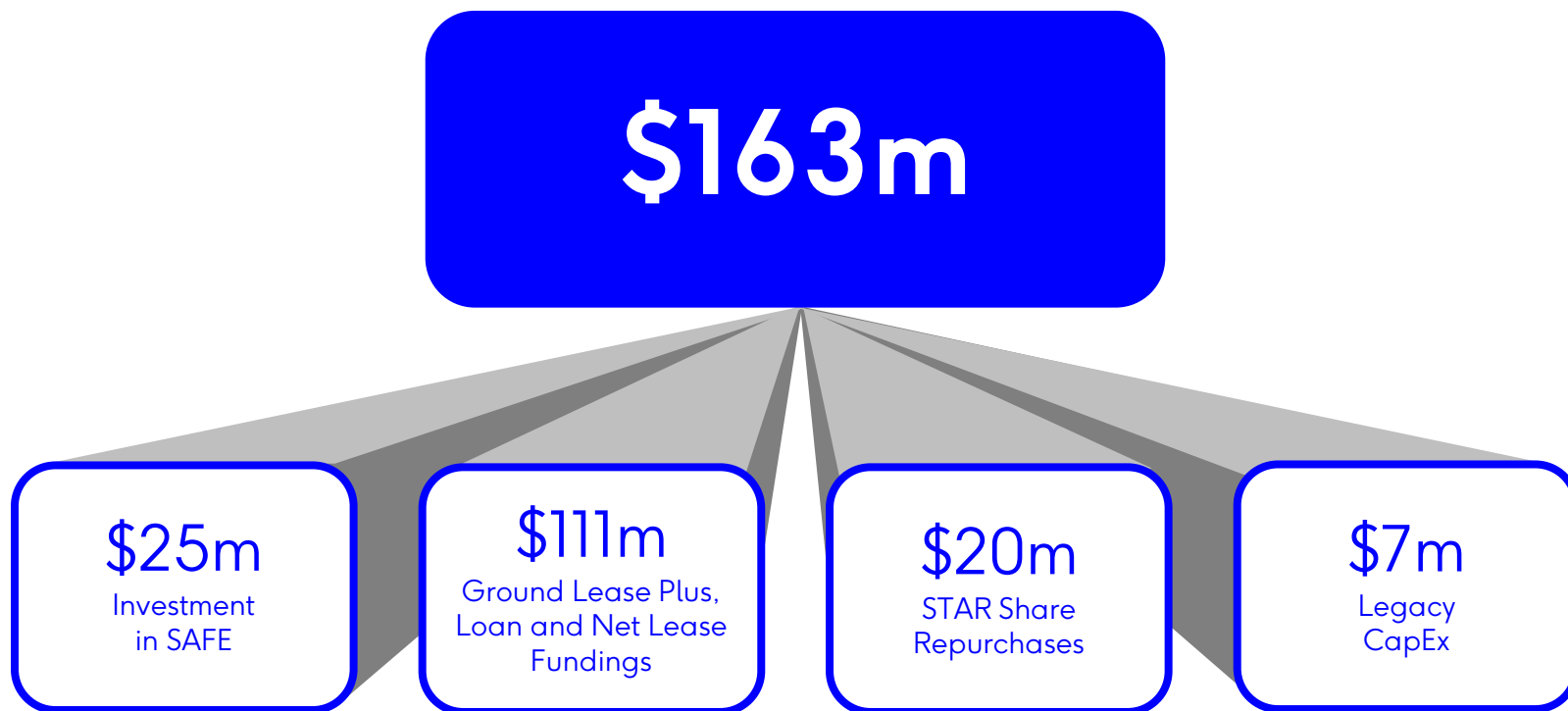
Short-Term Assets



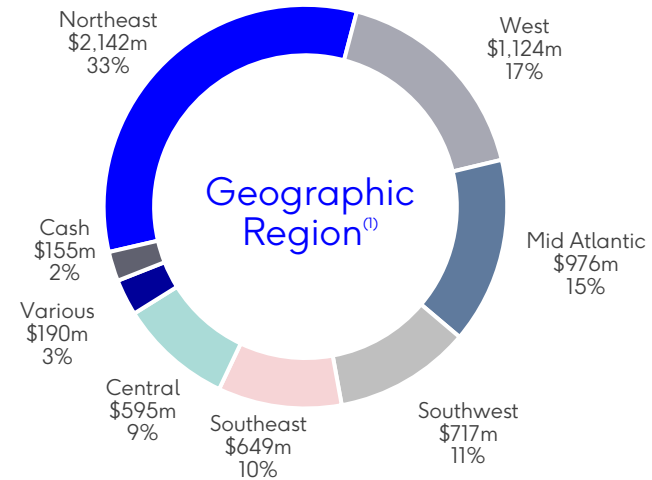
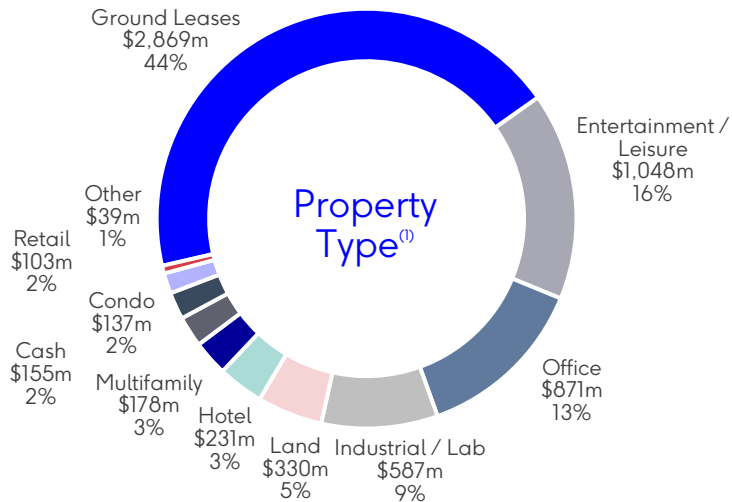
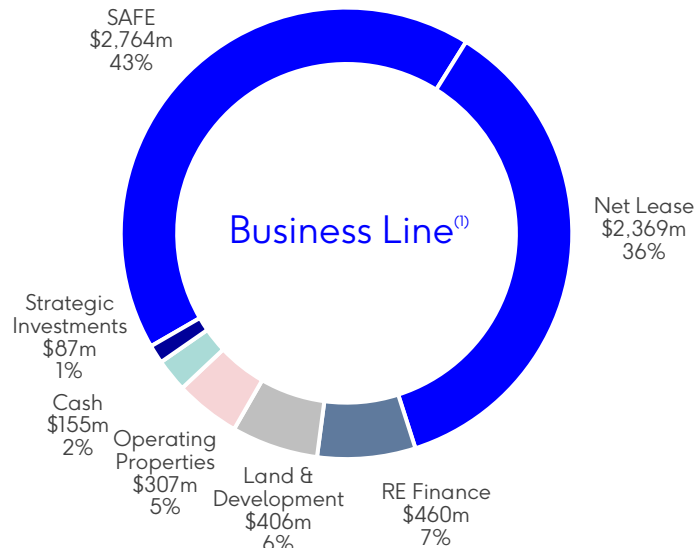
	GBV
Land & Development	\$140m
Operating Properties	\$59m

Assets highlighted in green have been sold subsequent to the end of the second quarter

Investment Activity



\$6.5b 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 35.2m shares of SAFE at the June 30, 2021 closing stock price of \$78.50.

Earnings Results

	Q2 '21	Q2 '20	Y/Y Δ
Net Income (Loss) <i>(Allocable to Common Shareholders)</i>	(\$19.5m)	(\$23.3m)	+\$3.8m
W.A. Shares <i>(Diluted)</i>	72.9m	76.2m	
EPS (Loss) <i>(Diluted)</i>	(\$0.27)	(\$0.31)	+\$0.04
Adj. Earnings (Loss) <i>(Allocable to Common Shareholders)</i>	\$12.0m	(\$2.9m)	+\$14.9m
W.A. Shares <i>(Diluted)</i>	77.8m	76.2m	
AEPS (Loss) <i>(Diluted)</i>	\$0.15	(\$0.04)	+\$0.19

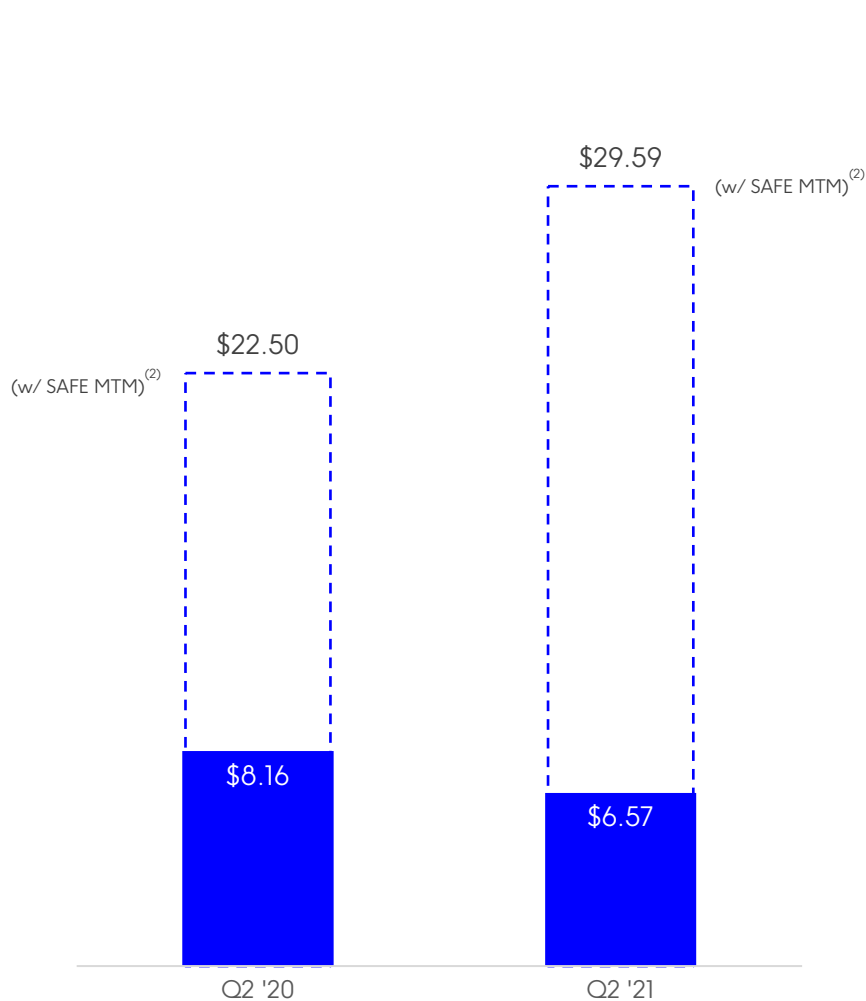


Note: Please refer to the "Adjusted Earnings Reconciliation" section of the Appendix for more information with regard to the calculation of this metric.

Equity Value per Share

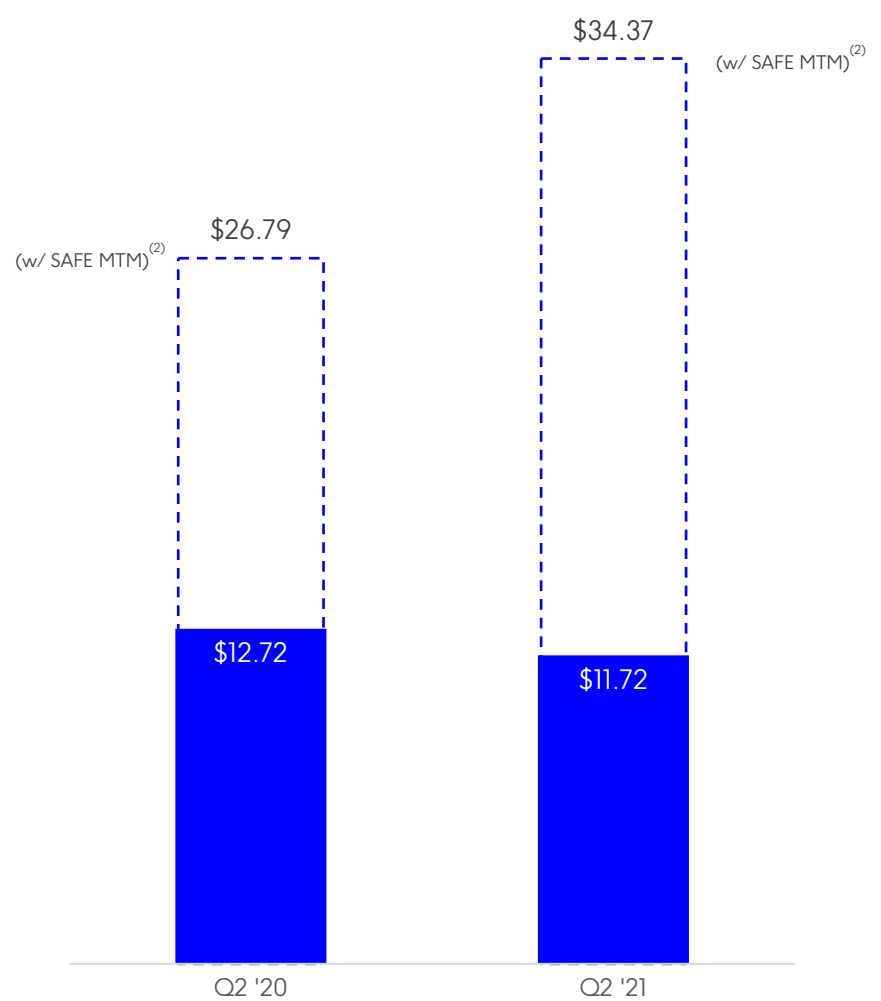
Common Equity per Share⁽¹⁾

(Net of Depreciation, Amortization and CECL Allowance)



Adj. Common Equity per Share⁽¹⁾

(Gross of Depreciation, Amortization and CECL Allowance)



Note: Q2 '21 SAFE mark-to-market value of iStar's investment in Safehold is \$2,764m, calculated as iStar's ownership of 35.2m shares of SAFE at the June 30, 2021 closing stock price of \$78.50. Q2 '20 SAFE mark-to-market value of iStar's investment in Safehold is \$1,923m calculated as iStar's ownership of 33.4m shares of SAFE at the June 30, 2020 closing stock price of \$57.49.

(1) Presented diluted for the 2022 3.125% convertible notes which were "in the money" on June 30, 2021 based on the conversion ratio of 71.2325 shares per \$1,000 of principal (a strike price of \$14.04 per share) using the Q2 '21 average closing stock price. The convertible notes were "out of the money" on June 30, 2020.

(2) A portion of the profits realized on iStar's investment portfolio, including its investment in SAFE, is allocable to iPip, iStar's shareholder-approved long-term incentive plan. Additional information on iStar's iPip can be found in the 2020 Annual Report on Form 10-K and its 2021 Proxy Statement, both of which are available on our website.



II. Portfolio Overview

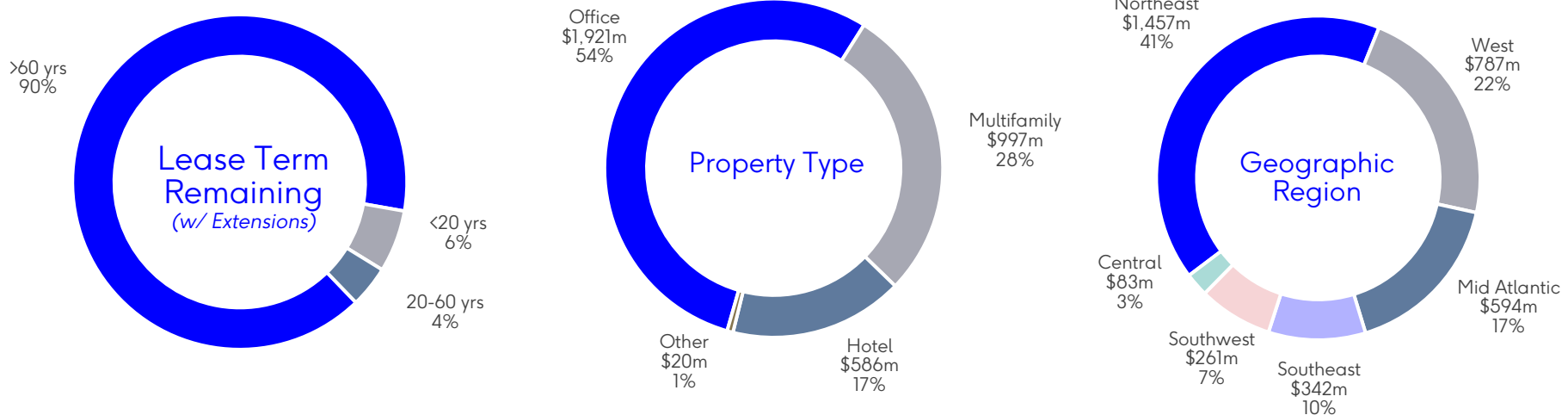
Safehold (NYSE: SAFE)

○ iStar's investment in SAFE

- 35.2m shares (66.0% of shares outstanding)⁽¹⁾
- Gross Book Value of \$1,018m or \$28.90 per share
- Market value of SAFE shares owned by iStar is \$2.8b based on closing price of \$78.50 per share on June 30, 2021

SAFE Earnings

Q2 '21	
Revenue	\$44.2m
Net Income	\$14.7m
EPS	\$0.28

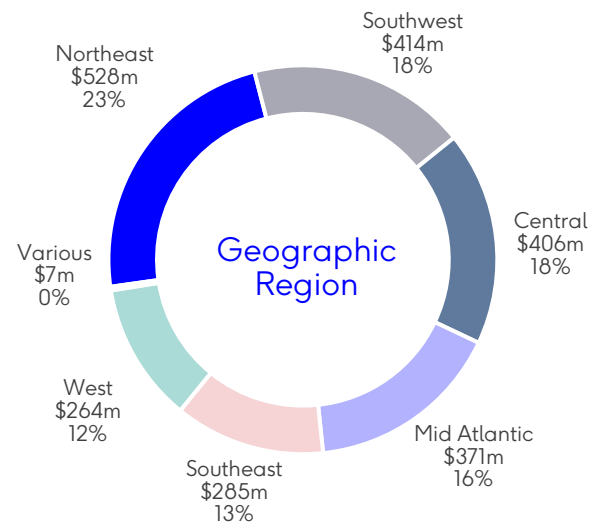
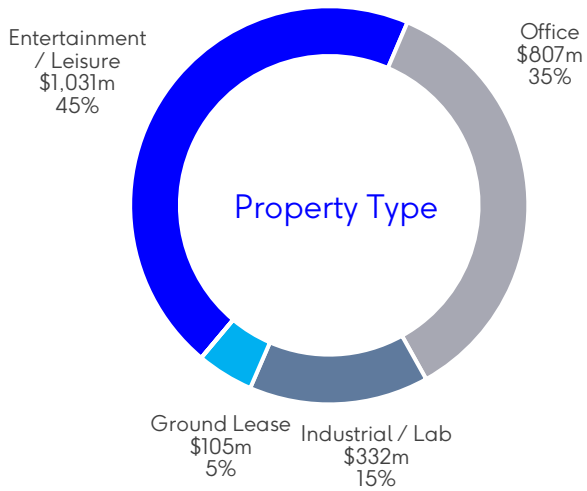
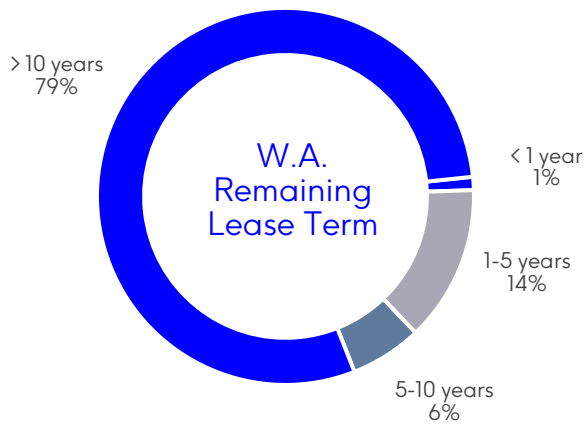


Note: \$ in millions. Graphs of SAFE's underlying portfolio are presented in Gross Book Value totaling \$3,524m and excludes \$23m of forward commitments. Please refer to the SAFE Earnings Presentation dated July 22, 2021, available on SAFE's website for a Glossary of defined terms.

(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 <i>(100% Ownership)</i>	Net Lease Venture I <i>(51.9% Ownership)</i>	Total Consolidated
Gross Book Value	\$1,367m	\$908m	\$2,275m
Occupancy	98.9%	100.0%	99.3%
Square Feet (000s)	9,671	5,749	15,420
W.A. Remaining Lease Term	19.5 yrs	15.8 yrs	18.0 yrs
W.A. Yield	7.4%	8.1%	7.7%

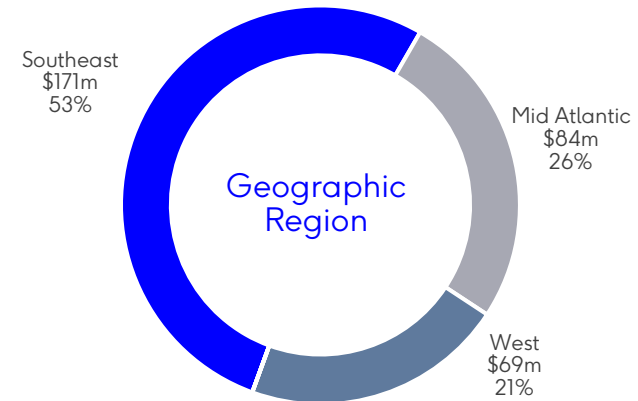
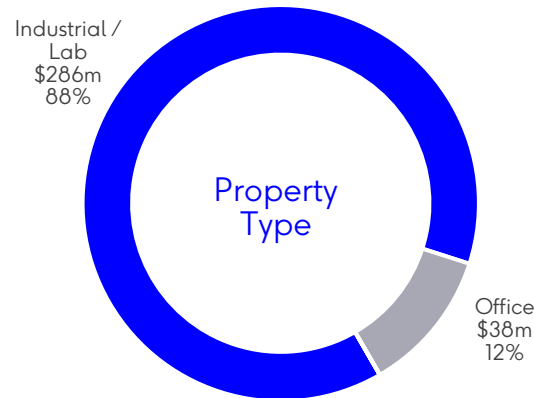
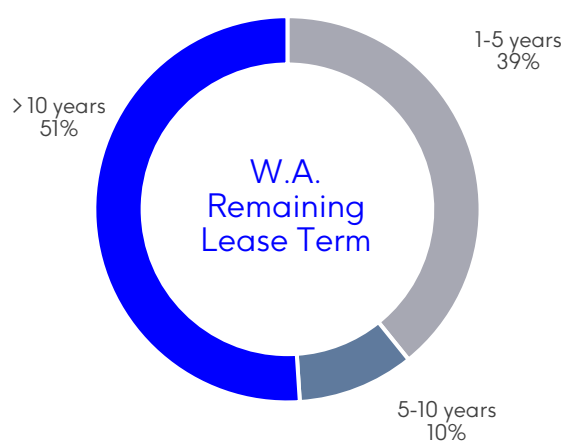


Note: \$ in millions. Please refer to the "Glossary" section of the Appendix for additional details regarding definitions and calculations.

Net Lease Venture II

Net Lease Venture II (51.9% Ownership)	
Gross Book Value	\$324m
Occupancy	100.0%
Square Feet (000s)	3,302
W.A. Remaining Lease Term	12.6 yrs
W.A. Yield	9.1%

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



Top Net Lease Assets

Top 10 net lease assets, which represent a total of \$1.7b of Gross Book Value, or 64% of the aggregate \$2.6b 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	148 Locations	Wholly-Owned		25.9 yrs	\$32.6m ⁽¹⁾	Fixed Bumps
Bowlero (Master Lease)		Entertainment	58 Locations	NLJV I		23.3 yrs	\$18.4m	Fixed Bumps
McCormick & Co.		Office	Cockeysville, MD	NLJV I	*	12.8 yrs	\$11.2m	Fixed Bumps
Cox Automotive		Office	North Hills, NY	NLJV I	*	13.0 yrs	\$8.2m	Fixed Bumps w/ CPI Adjustments
Indeed		Office	Austin, TX	Wholly-Owned	*	12.5 yrs	\$10.6m	Fixed Bumps
AMC Theaters (Master Lease)		Entertainment	4 Locations	Wholly-Owned		13.6 yrs	\$8.1m	Fixed Bumps + % Rent
NYSE-Listed Transportation Services Company		Industrial	2 Locations	NLJV II		24.4 yrs	\$7.9m	Fixed Bumps
Leading Financial Services Company		Office	Jersey City, NJ	Wholly-Owned	*	11.5 yrs	\$10.1m	Fixed Bumps
AT&T		Office	Oakton, VA	NLJV I	*	4.4 yrs	\$7.2m	Fixed Bumps
Bellisio Foods		Industrial	Jackson, OH	NLJV I		24.4 yrs	\$6.7m	Capped CPI Adjustments
Total/W.A.						19.1 yrs	\$121.2m	



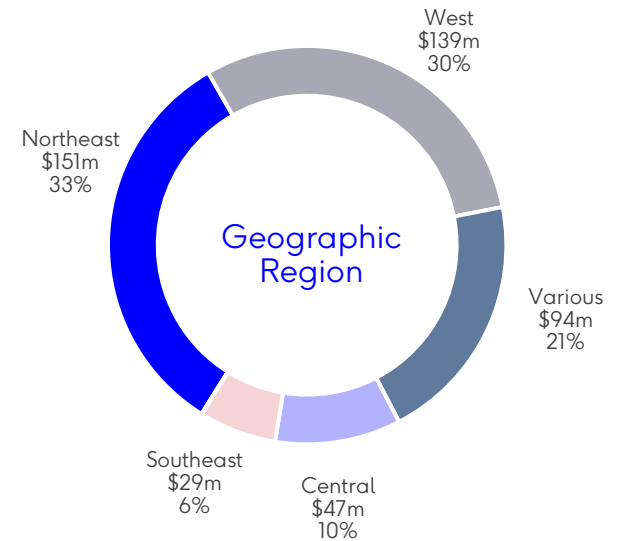
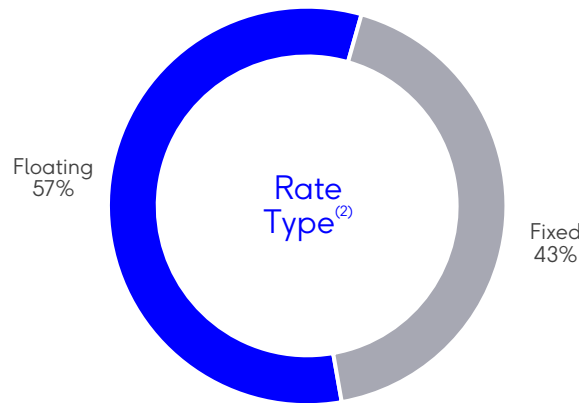
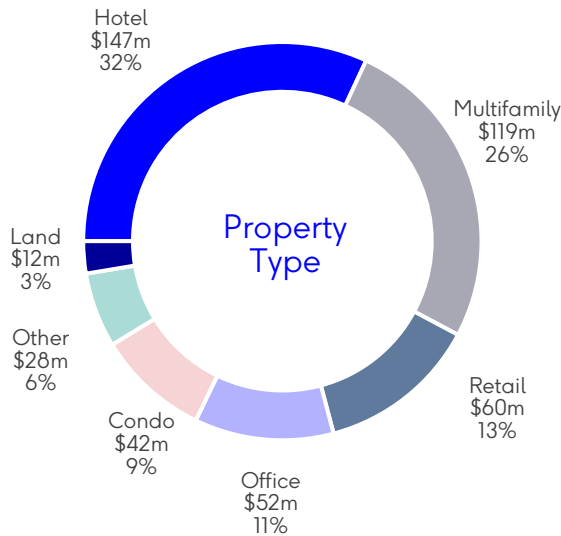
Note: Sorted by Gross Book Value, based on the value of the asset assuming 100% ownership. Annualized Base Rent (ABR) represents annualized cash rent assuming 100% ownership. iStar's equity interest in each of NLJV I and II is 51.9%.

(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 Q2 '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⁾	\$231m	65%	8.7%	0.6
Mezzanine / Subordinated debt	51m	69%	9.7%	6.3
Other lending investments	122m	-	6.6%	7.5
Total Performing Loans	\$404m	66%	8.2%	3.4
NPL	56m			

Total Real Estate Finance \$460m



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.

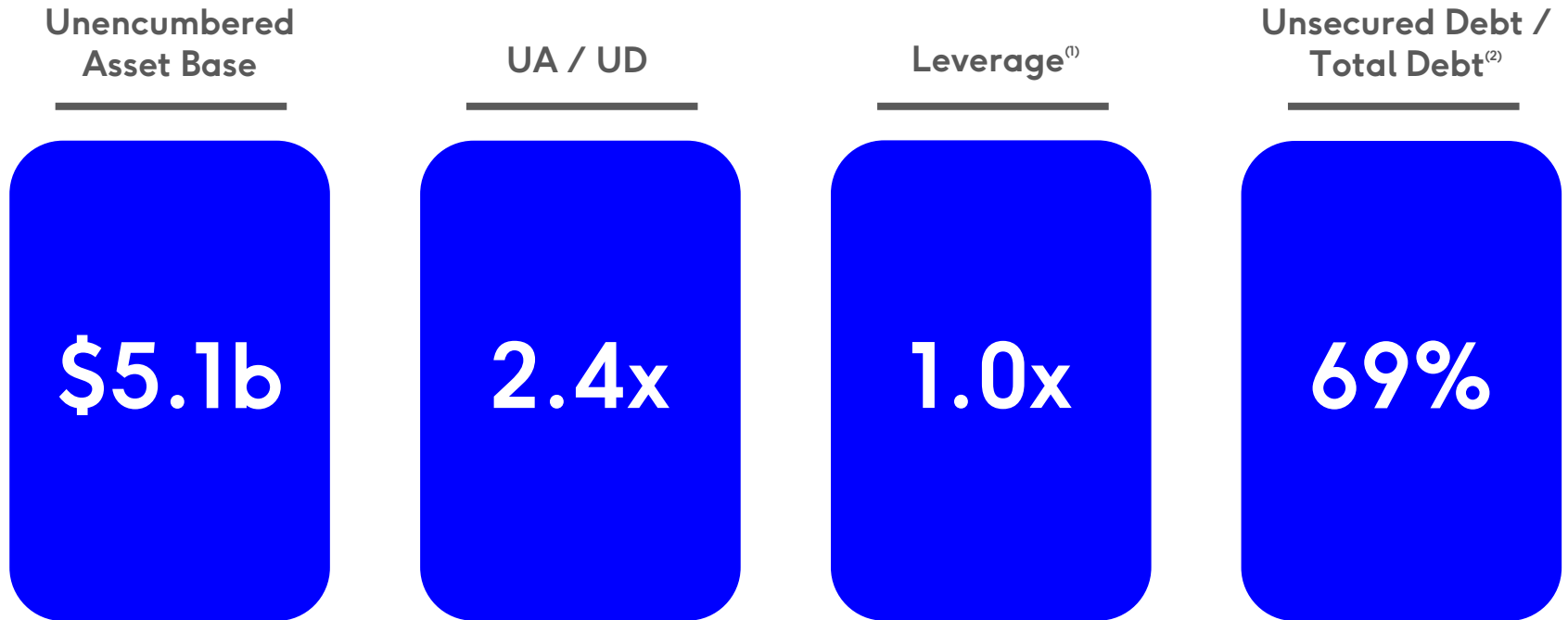
(1) Includes \$47m pro rata share of loans held within a joint venture.

(2) 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. Q2 '21 market value is \$2,764m, calculated as iStar's ownership of 35.2m shares of SAFE at the June 30, 2021 closing stock price of \$78.50.

(1) Leverage is calculated as the ratio of debt, net of cash, to adjusted 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.

(2) Includes only iStar's share of NLJV I debt.

Capital Structure Overview

As of 6/30/21

Credit Metrics	6/30/21	SAFE MTM ⁽¹⁾
Cash	\$155m	\$155m
Debt, net of cash	\$3,135m	\$3,135m
Total Equity, gross of NCI	\$1,009m	\$2,784m
Adj. Total Equity, gross of NCI	\$1,447m	\$3,193m
Leverage ⁽²⁾	2.2x	1.0x

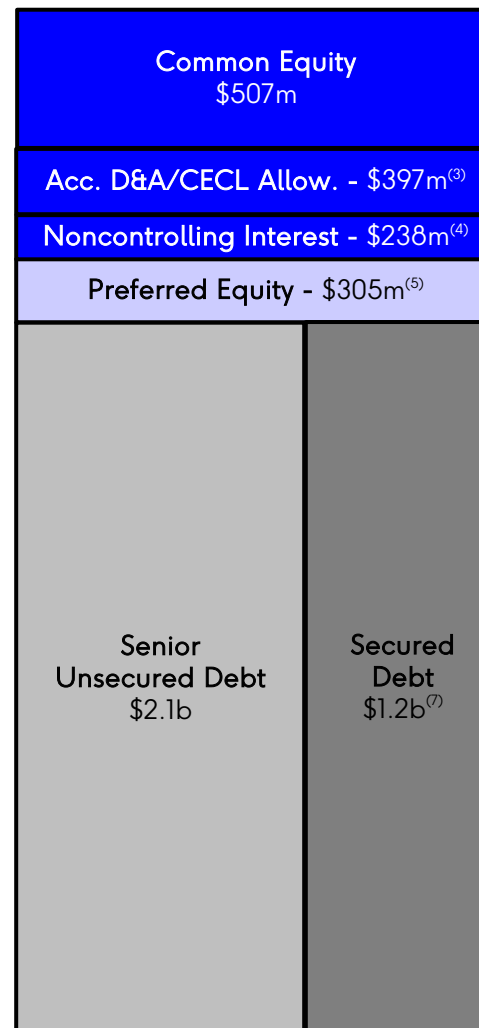
Shares

Shares Outstanding ⁽⁶⁾	77.1m	77.1m
Common Equity	\$507m	\$2,282m
Common Equity per Share	\$6.57	\$29.59
Adj. Common Equity	\$904m	\$2,650m
Adj. Common Equity per Share	\$11.72	\$34.37

Liquidity

Cash	\$155m
Revolving Credit Facility Availability	\$342m
Total Liquidity	\$497m

Adjusted
Total Equity
\$1.4b



Adjusted
Common
Equity
\$904m

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 June 30, 2021 closing stock price of \$78.50 with respect to 35.2m 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 \$41m 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 June 30, 2021 based on their current conversion ratio of 71.2325 shares per \$1,000 of principal, which represents a strike price of \$14.04 per share using the Q2 '21 average closing stock price.

(7) Includes \$481m of consolidated, asset-specific non-recourse mortgage debt of NLJV I.

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



Corporate Debt Maturity Profile

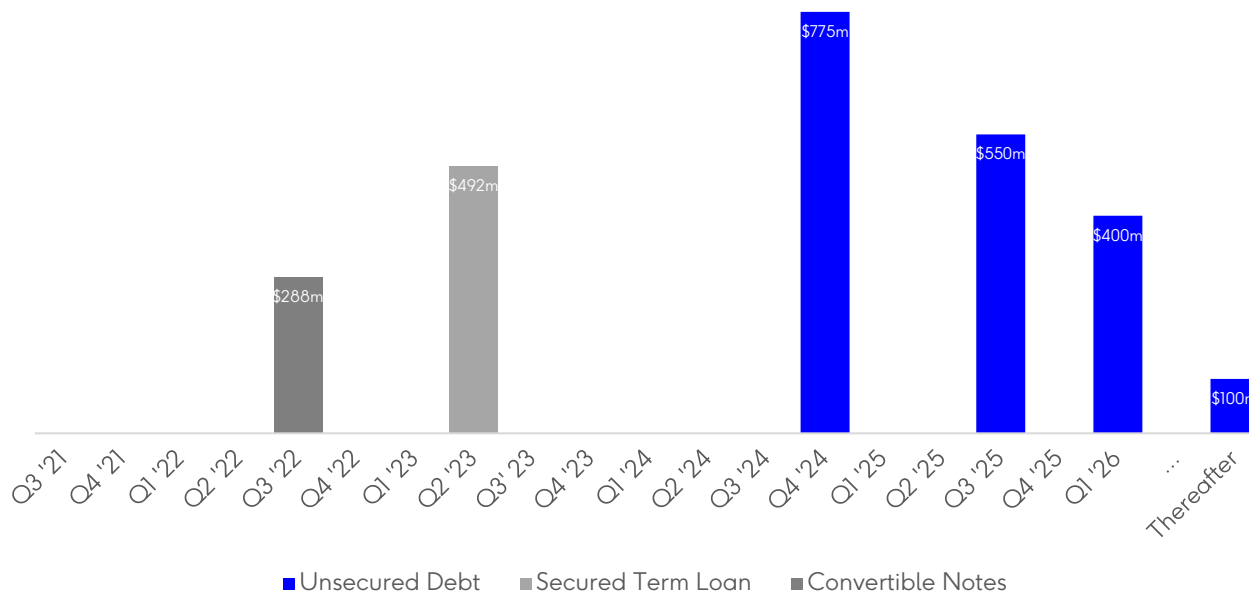
Debt Profile

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.	\$710m	4.43%
Total / W.A.⁽³⁾	\$3,315m	4.17%

Stable
S&P Upwardly Revised Outlook

BB
Fitch Credit Rating Upgrade

3.8 years
w.a. debt maturity



Note: \$ in millions. Excludes extension options and revolving credit facility which was undrawn as of June 30, 2021.

(1) The 2022 3.125% convertible notes were "in the money" on June 30, 2021 with a conversion price of \$14.04 per share and a conversion of 71,2325 shares per \$1,000 of principal using the Q2 '21 average closing stock price.

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

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



IV. Appendix

Consolidated Statements of Operations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenues				
Operating lease income	\$45,544	\$46,812	\$92,988	\$94,158
Interest income	8,973	15,439	19,623	32,655
Interest income from sales-type leases	8,689	8,295	17,316	16,650
Other income	10,064	10,292	24,354	30,660
Land development revenue	32,318	15,577	64,567	95,752
Total revenues	\$105,588	\$96,415	\$218,848	\$269,875
Cost and Expenses				
Interest expense	\$39,417	\$41,950	\$78,980	\$85,341
Real estate expense	18,289	14,276	35,183	36,774
Land development cost of sales	30,803	16,287	60,126	93,346
Depreciation and amortization	14,660	14,300	30,115	28,786
General and administrative	15,603	14,254	31,534	32,256
General and administrative – stock-based compensation	14,791	4,744	20,299	21,014
(Recovery of) provision for loan losses	(2,263)	2,067	(6,057)	6,070
(Recovery of) provision for losses on net investment in leases	(265)	534	(1,866)	1,826
Impairment of assets	-	4,783	1,785	6,491
Other expense	211	203	464	277
Total costs and expenses	\$131,246	\$113,398	\$250,563	\$312,181
Income from sales of real estate	2,210	62	2,822	62
Loss from operations before earnings from equity method investments and other items	(\$23,448)	(\$16,921)	(\$28,893)	(\$42,244)
Earnings from equity method investments	12,697	2,586	25,466	19,198
Income tax expense	(665)	(28)	-	(88)
Loss on early extinguishment of debt, net	-	-	-	(4,115)
Net loss	(\$11,416)	(\$14,363)	(\$3,427)	(\$27,249)
Net (income) attributable to noncontrolling interests	(2,253)	(3,098)	(4,773)	(5,789)
Net loss attributable to iStar	(\$13,669)	(\$17,461)	(\$8,200)	(\$33,038)
Preferred dividends	(5,874)	(5,874)	(11,748)	(11,748)
Net loss allocable to common shareholders	(\$19,543)	(\$23,335)	(\$19,948)	(\$44,786)



Note: \$ in thousands.

Earnings per Share

	Three Months Ended June 30,		Six Months Ended June 30,	
Earnings Information for Common Shares	2021	2020	2021	2020
Net income (loss) ⁽¹⁾				
Basic	(\$0.27)	(\$0.31)	(\$0.27)	(\$0.58)
Diluted	(\$0.27)	(\$0.31)	(\$0.27)	(\$0.58)
Adjusted earnings (loss)				
Basic	\$0.16	(\$0.04)	\$0.47	\$0.10
Diluted	\$0.15	(\$0.04)	\$0.45	\$0.10
Weighted average shares outstanding				
Basic	72,872	76,232	73,374	76,838
Diluted (for net income)	72,872	76,232	73,374	76,838
Diluted (for adjusted earnings)	77,774	76,232	77,369	76,995
Common shares outstanding at the end of period	72,419	75,559	72,419	75,559

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 June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income (loss) allocable to common shareholders	(\$19,543)	(\$23,335)	(\$19,948)	(\$44,786)
Add: Depreciation and amortization	16,712	15,675	34,341	30,731
Add: Stock-based compensation expense	14,791	4,744	20,299	21,014
Add: Non-cash loss on early extinguishment of debt/preferred	-	-	-	799
Adjusted earnings (loss) allocable to common shareholders	\$11,960	(\$2,916)	\$34,692	\$7,758

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 14% of our overall portfolio as of June 30, 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. Adjusted earnings is a non-GAAP metric management 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").

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 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 June 30, 2021	As of December 31, 2020
Assets		
Real Estate		
Real estate, at cost	\$1,657,173	\$1,752,053
Less: accumulated depreciation	(290,167)	(267,772)
Real estate, net	1,367,006	1,484,281
Real estate available and held for sale	99,201	5,212
Total real estate	1,466,207	1,489,493
Net investment in leases	477,798	429,101
Land and development, net	381,719	430,663
Loans receivable and other lending investments, net	454,960	732,330
Loan receivable held for sale	62,525	-
Other investments	1,275,954	1,176,560
Cash and cash equivalents	154,941	98,633
Finance lease right of use assets	142,985	143,727
Accrued interest and operating lease income receivable, net	7,328	10,061
Deferred operating lease income receivable, net	63,339	58,128
Deferred expenses and other assets, net	279,894	293,112
Total Assets	\$4,767,650	\$4,861,808
Liabilities and Equity		
Accounts payable, accrued expenses, and other liabilities	\$315,337	\$317,402
Finance lease liabilities	151,925	150,520
Liabilities associated with properties held for sale	2,201	27
Loan participations payable, net	-	42,501
Debt obligations, net	3,289,481	3,286,975
Total Liabilities	\$3,758,944	\$3,797,425
Total iStar shareholders' equity	\$811,554	\$870,969
Noncontrolling interests	197,152	193,414
Total Equity	\$1,008,706	\$1,064,383
Total Liabilities and Equity	\$4,767,650	\$4,861,808

Note: \$ in thousands.



Adjusted Common Equity Reconciliation

	As of June 30, 2021	As of June 30, 2020
Total shareholders' equity	\$811,554	\$921,932
Less: Liquidation preference of preferred stock	(305,000)	(305,000)
Common shareholders equity	\$506,554	\$616,932
Add: Accumulated depreciation and amortization ⁽¹⁾	318,840	278,455
Add: Proportionate share of depreciation and amortization within equity method investments	61,757	38,784
Add: CECL allowance	16,557	27,213
Adjusted common equity	\$903,708	\$961,384
Common shares outstanding – basic	72,419	75,559
Common shares outstanding – convertible dilution ⁽²⁾	77,120	75,559
Common equity per share with convertible dilution ⁽²⁾	\$6.57	\$8.16
Common equity per share with SAFE MTM and convertible dilution ⁽²⁾	\$29.59	\$22.50
Adjusted common equity per share with convertible dilution ⁽²⁾	\$11.72	\$12.72
Adjusted common equity per share with SAFE MTM and convertible dilution ⁽²⁾	\$34.37	\$26.79

Note: Amounts in thousands, except for per share data. Q2 '21 SAFE mark-to-market value of iStar's investment in Safehold is \$2.764m, calculated as iStar's ownership of 35.2m shares of SAFE at the June 30, 2021 closing stock price of \$78.50. Q2 '20 SAFE mark-to-market value of iStar's investment in Safehold is \$1.923m calculated as iStar's ownership of 33.4m shares of SAFE at the June 30, 2020 closing stock price of \$57.49. 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 June 30, 2021 based on their current conversion ratio of 71.2325 shares per \$1,000 of principal, which represents a strike price of \$14.04 per share using the Q2 '21 average closing stock price. The convertible notes were "out of the money" on June 30, 2020.



Q2 '21 Gross Book Value Reconciliation

	Real Estate Finance	Net Lease	Operating Properties	Land & Development	Corporate / Other	Total
Real estate, net	-	\$1,273	\$94	-	-	\$1,367
Real estate available and held for sale	-	-	99	-	-	99
Net investment in leases	-	478	-	-	-	478
Land and development, net	-	-	-	382	-	382
Loans receivable and other lending investments, net	408	47	-	-	-	455
Loan receivable held for sale	-	63	-	-	-	63
Real estate-related intangibles, net	-	102	3	-	-	105
Other investments	47	1,073	55	14	87	1,276
Net Book Value	\$455	\$3,036	\$251	\$395	\$87	\$4,224
Add: Accumulated depreciation and CECL allowance	6	280	20	11	-	317
Add: Accumulated amortization related to intangibles	-	32	12	-	-	44
Add: Proportionate share of joint venture accumulated depreciation and amortization	-	38	24	-	-	62
Gross Book Value	\$460	\$3,387	\$307	\$406	\$87	\$4,646
Add: Cash	-	-	-	-	155	155
Add: SAFE MTM ⁽¹⁾	-	1,747	-	-	-	1,747
Portfolio Gross Book Value	\$460	\$5,133	\$307	\$406	\$242	\$6,548

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

(1) Market value of iStar's investment in Safehold is \$2,764m, calculated as iStar's ownership of 35.2m shares of SAFE at the June 30, 2021 closing stock price of \$78.50. Unrealized gain is calculated as the difference between the \$2,764m market value and the \$1,018m 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.

