

**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 23, 2020

**Safehold Inc.**

(Exact name of registrant as specified in its charter)

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

**001-38122**  
(Commission File  
Number)

**30-0971238**  
(IRS Employer  
Identification Number)

**1114 Avenue of the Americas  
39th Floor  
New York , NY**  
(Address of principal executive offices)

**10036**  
(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))

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.

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        | SAFE              | NYSE                                      |

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

On April 23, 2020, Safehold Inc. issued an earnings release and made available on its website an earnings presentation for the quarter ended March 31, 2020. 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 23, 2020, Safehold Inc. made available on its website an earnings presentation for the quarter ended March 31, 2020. 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, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Safehold Inc.

Date: April 23, 2020

By:

/s/ JEREMY FOX-GEEN

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

EXHIBIT INDEX

| Exhibit Number | Description                           |
|----------------|---------------------------------------|
| 99.1           | <a href="#">Earnings Release</a>      |
| 99.2           | <a href="#">Earnings Presentation</a> |



Press Release

## Safehold Reports First Quarter 2020 Results

**NEW YORK, April 23, 2020**

Safehold Inc. (NYSE: SAFE) reported results for the first quarter 2020. Additionally, Safehold has published its 2019 annual report, 2020 proxy statement and inaugural ESG report to the Company's website, [www.safeholdinc.com](http://www.safeholdinc.com).

Highlights from the first quarter earnings announcement include:

- Revenue of \$40.2 million, an 84% increase year-over-year
- Net income of \$17.4 million, a 56% increase year-over-year
- Earnings per share of \$0.36, in-line with last year
- \$150 million of equity raised
- \$259 million of long-term debt raised

"As markets continue to work through these turbulent times, Safehold remains well-positioned and focused on driving long-term value," said Jay Sugarman, Chairman and Chief Executive Officer. "The core tenets of our company – providing low-cost, long-term ground lease capital for building owners and principal safety and attractive returns for shareholders – will serve us well as we look to continue scaling our business."

Safehold published a presentation detailing these results which can be found on its website in the "Investors" section.

The Company will host an earnings conference call reviewing these results and its operations beginning at 10:00 a.m. ET. This conference call can be accessed by all interested parties through the website (listen only) or by dialing toll-free 844.721.7237 (U.S. domestic) or 409.207.6951 (international) using the conference ID: 3185251.

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T 212.930.9400  
[investors@safeholdinc.com](mailto:investors@safeholdinc.com)

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For those who are not able to listen to the live broadcast, a replay will be available shortly after the call on the website or by dialing 866.207.1041 (U.S. domestic) or 402.970.0847 (international) using the conference ID: 7359470.

Separately, Safehold will host its annual shareholders meeting on Wednesday, May 13, 2020, at 9:00am ET in virtual meeting format only. The meeting will be open to all Safehold shareholders of record as of March 18, 2020. To be admitted to the meeting, please visit [www.meetingcenter.io/239165138](http://www.meetingcenter.io/239165138).

*About Safehold:*

Safehold Inc. (NYSE: SAFE) is revolutionizing real estate ownership by providing a new and better way for owners to unlock the value of the land beneath their buildings. Through its modern ground lease capital solution, Safehold helps owners of high quality multifamily, office, industrial, hospitality and mixed-use properties in major markets throughout the United States generate higher returns with less risk. The Company, which is taxed as a real estate investment trust (REIT) and is managed by its largest shareholder, iStar Inc., seeks to deliver safe, growing income and long-term capital appreciation to its shareholders. Additional information on Safehold is available on its website at [www.safeholdinc.com](http://www.safeholdinc.com).

**Company Contact:**

**Jason Fooks**, Senior Vice President of Investor Relations & Marketing

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# Q1 '20 EARNINGS RESULTS





# Forward-Looking Statements and Other Matters

This release may contain forward-looking statements. All statements other than statements of historical fact are forward-looking statements. These forward-looking statements can be identified by the use of words such as "illustrative", "representative", "expect", "plan", "will", "estimate", "project", "intend", "believe", and other similar expressions that do not relate to historical matters. These forward-looking statements reflect the Company's current views about future events, and are subject to numerous known and unknown risks, uncertainties, assumptions and changes in circumstances that may cause Company's actual results to differ significantly from those expressed in any forward-looking statement. The Company does not guarantee that the transactions and events described will happen as described (or that they will happen at all).

The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: the effect of the COVID-19 pandemic on our business and growth prospects; market demand for ground lease capital; the Company's ability to source new ground lease investments; the availability of funds to complete new ground lease investments; risks that the rent adjustment clauses in the Company's leases will not adequately keep up with changes in market value and inflation; risks associated with certain tenant and industry concentrations in our portfolio; conflicts of interest and other risks associated with the Company's external management structure and its relationships with iStar and other significant investors; risks associated with using debt to fund the Company's business activities (including changes in interest rates and/or credit spreads, the ability to source financing at rates below the capitalization rates of our assets, and refinancing and interest rate risks); risks that tenant rights in certain of our ground leases will limit or eliminate the Owned Residual realizations from such properties; general risks affecting the real estate industry and local real estate markets (including, without limitation, the potential inability to enter into or renew ground leases at favorable rates, including with respect to contractual rate increases or participating rent); dependence on the creditworthiness of our tenants and their financial condition and operating performance; competition from other ground lease investors and risks associated with our failure to qualify for taxation as a REIT under the Internal Revenue Code of 1986, as amended. Please refer to the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2019, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, and any subsequent reports filed with the Securities and Exchange Commission (SEC) for further discussion of these and other investment considerations. The Company expressly disclaims any responsibility to update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

**Important Note re COVID-19:** Our first quarter operations occurred largely before the COVID-19 pandemic materially affected the US economy. Readers of this presentation are cautioned that our results for the first quarter may not be indicative of our results for the remainder of 2020. Similarly, our Ground Rent Coverage and UCA as of March 31, 2020 are likely to decline with respect to certain properties in future periods due to the impact of the pandemic, and any such decline may be material. Readers are urged to read our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 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 at the end of this presentation for a list of defined terms and metrics.

**Investor Relations**  
Jason  
212.4  
investors@safeholdings.com



# FINANCIAL RESULTS

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# Q1 '20 Highlights

Solid  
Growth



Strengthening the  
Balance Sheet



Market  
Outperformance



<sup>(1)</sup> Includes \$106m of debt raised subsequent to the end of the first quarter.

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# Earnings Results

|  | Q1 '20  | Q1 '19  | TTM<br>(Q1 '20) | TTM<br>(Q1 '19) |
|--|---------|---------|-----------------|-----------------|
| Revenue                                | \$40.2m | \$21.8m | \$111.7m        | \$59.9m         |
| Net Income<br><i>(Gross of NCI)</i>    | \$17.4m | \$11.1m | \$40.0m         | \$19.3m         |
| W.A. Shares<br><i>(Diluted)</i>        | 48.2m   | 30.7m   | 39.7m           | 21.3m           |
| Earnings per Share<br><i>(Diluted)</i> | \$0.36  | \$0.36  | \$1.01          | \$0.91          |

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# Strengthening the Balance Sheet

**\$150m**

New Equity Raised

- ☐ 3.2m shares issued at \$46.88
- ☐ Bolstered liquidity and ability to invest opportunistically
- ☐ Strong demand - upsized public offering 44%

**\$259m**

Long-Term Debt Raised<sup>(1)</sup>

- ☐ ~190 bps accretive spread
  - 5.6% w.a. effective yield of collate
  - 3.7% w.a. effective interest rate<sup>(2)</sup>
- ☐ 2.8% w.a. cash interest rate<sup>(2)</sup>
- ☐ 35 years w.a. maturity
- ☐ Full-term interest only

<sup>(1)</sup> Includes \$106m of debt raised subsequent to the end of the first quarter.

<sup>(2)</sup> W.A. effective interest rate represents the weighted average interest rate of mortgage debt in effect over the life of the mortgage debt and excludes the effect of debt premium, discount and deferred financing costs. The weighted average cash interest rate is based on the first year interest rate.

# Capital Structure

**\$1.2b**

Total Equity

- ☐ \$338m cash and revolver availability  
*(as of April 22, 2020)*
- ☐ ~\$1.0b purchasing power *(assuming 2x leverage)*
- ☐ 1.4x debt / equity *(0.6x debt / equity mkt cap<sup>(1)</sup>)*

**\$1.7b**

Total Debt<sup>(2)</sup>

- ☐ ~150 bps accretive spread
  - 5.5% w.a. yield of portfolio
  - 4.0% w.a. effective interest rate<sup>(3)</sup>
- ☐ 3.1% w.a. cash interest rate<sup>(3)</sup>
- ☐ 31 years w.a. maturity

[1] Market cap calculated as of 4/22/20 with a share price of \$52.61.

[2] Shown pro forma for the \$106m financing closed subsequent to the end of the first quarter. Includes \$0.2b of debt, which represents Safehold's pro-rata share of debt associated with non-consolidated joint ventures (equity method investments). Excludes the revolving credit facility, which had a \$0.2b outstanding balance at March 31, 2020.

[3] W.A. effective interest rate represents the weighted average interest rate of mortgage debt in effect over the life of the mortgage debt and excludes the effect of debt premium, discount and deferral financing costs. The weighted average cash interest rate is based on the actual interest rates in effect at March 31, 2020.



# **PORTFOLIO UPDATE**

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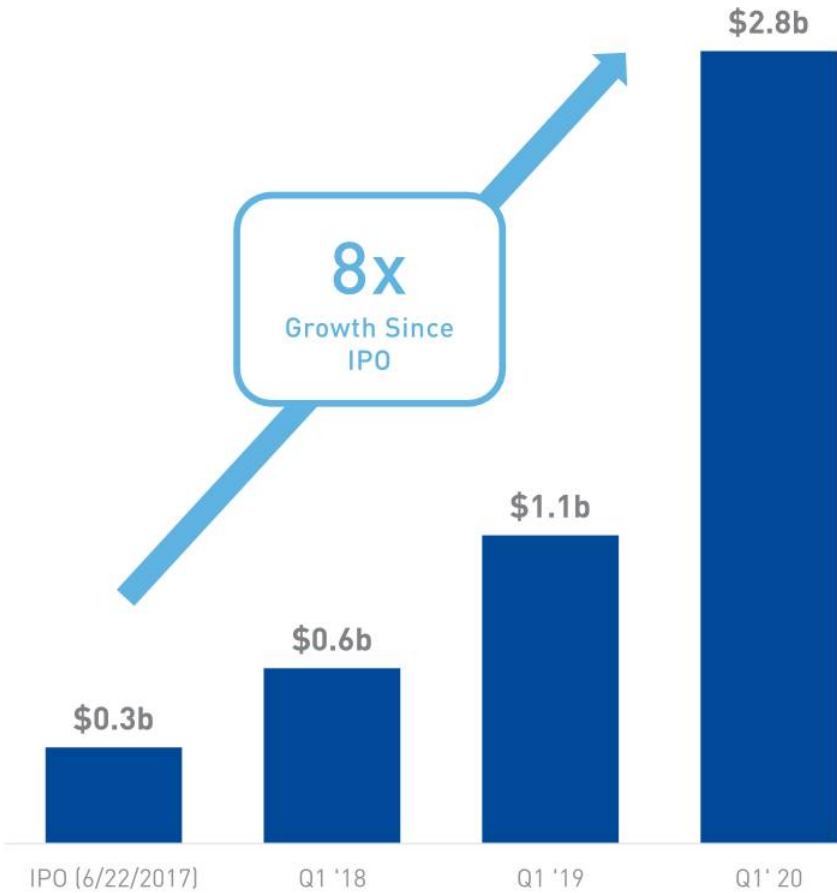
# Portfolio Growth

(Aggregate Gross Book Value)

## \$77m

Q1 '20 Investment Activity

- 5.8% w.a. effective yield
- 3.7x w.a. rent coverage<sup>(1)</sup>
- 36% w.a. GLTV



Note: Please see the "Important Note re COVID-19" in the front of this presentation for a statement about metrics this quarter. Refer to Appendix for Portfolio Reconciliation.  
[1] The Company uses estimates of the stabilized Property NOI if it does not receive current tenant information or if the properties are under construction/in transition. These estimates are based on leasing activity at the property, third party appraisals and available market information, such as leasing activity at comparable properties in the relevant market. Please refer to the Glossary in the Appendix for more information on these calculations.



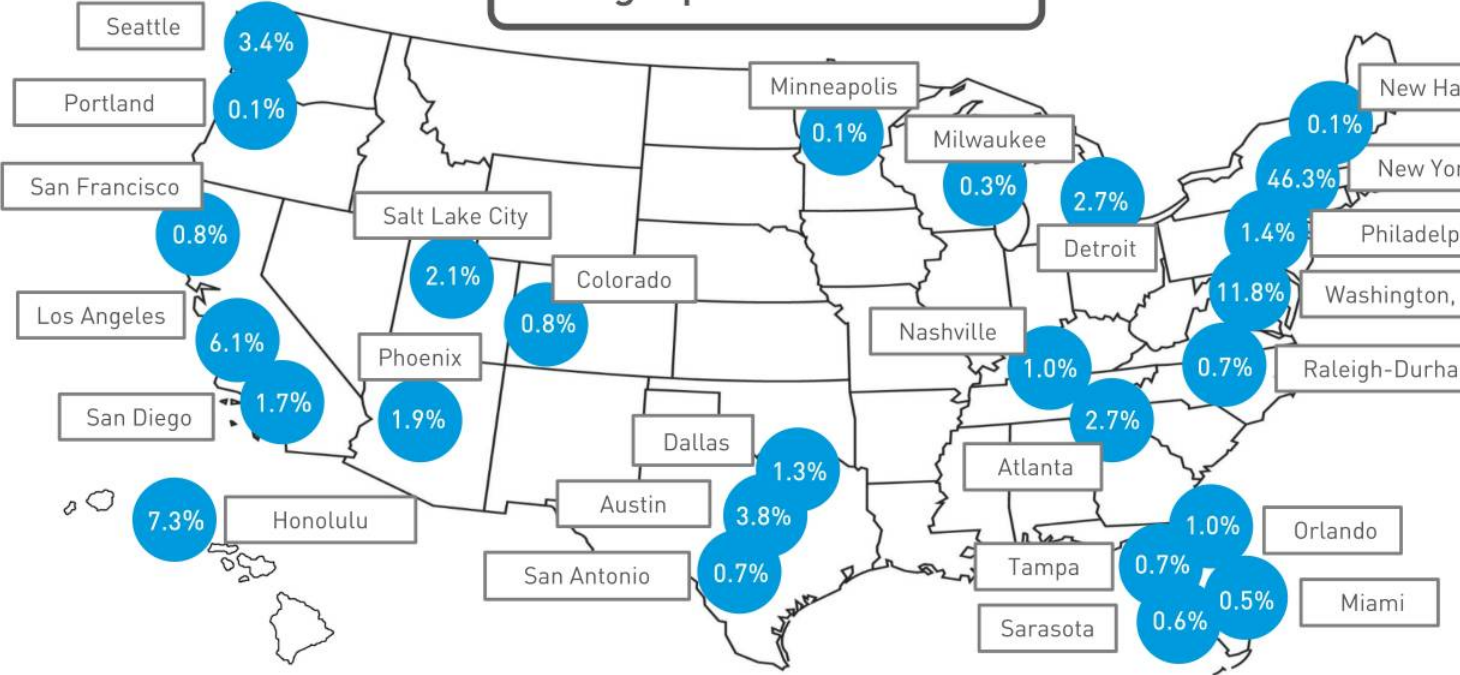
# Portfolio Breakdown

[Current Portfolio Gross Book Value: \$2,705m]

## Property Type



## Geographic Breakdown



# Portfolio Metrics

[Current Portfolio Gross Book Value: \$2,705m]

## Credit Metrics<sup>(1)</sup>

W.A. Rent Coverage<sup>(2)</sup>

**4.1x**

W.A. GLTV

**37%**

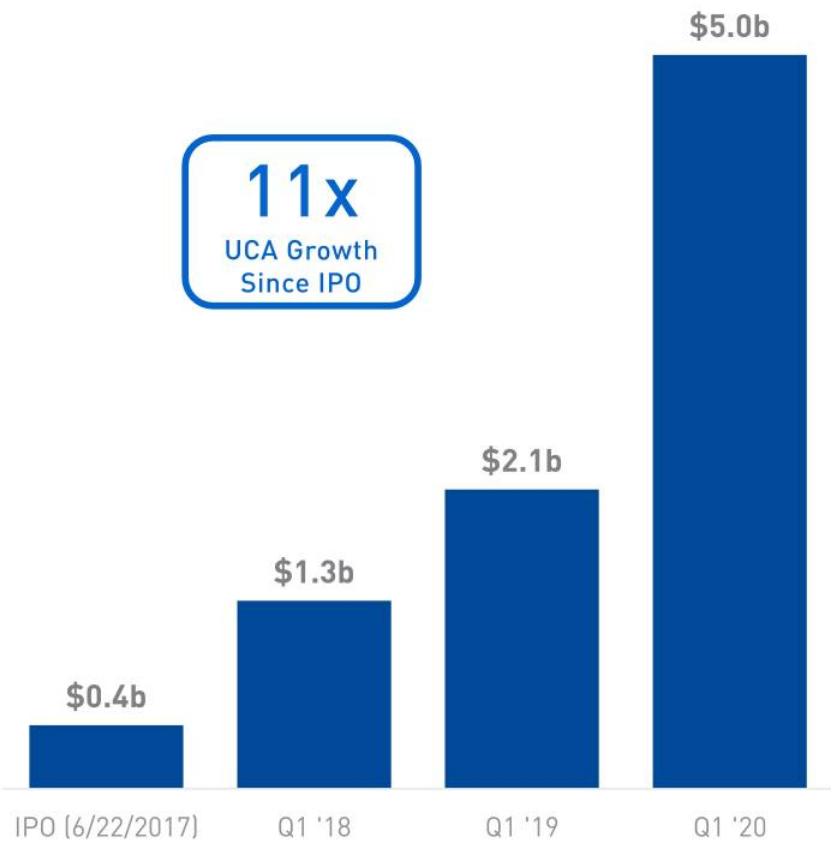
## Lease Term



|                   |   |   |   |   |                      |                                 |
|-------------------|---|---|---|---|----------------------|---------------------------------|
| <b>Yield</b>      | Total Annualized GAAP Rent<br><i>(incl. % rent)</i> | - | Less: Annualized Depreciation & Amortization <sup>(3)</sup> | = | Net Amount           | Yield<br><i>(% of GBV)</i>      |
|                   | <b>\$160.6m</b>                                     |   | <b>\$11.0m</b>  |   | <b>\$149.6m</b>      | <b>5.5%</b>                     |
| <b>Cash Yield</b> | Annualized Cash Base Rent                           | + | Add: TTM Percentage Rent                                    | = | Annualized Cash Rent | Cash Yield<br><i>(% of GBV)</i> |
|                   | <b>\$90.9m</b>                                      |   | <b>\$4.5m</b>   |   | <b>\$95.4m</b>       | <b>3.5%</b>                     |

[1] Please see the "Important Note re COVID-19" in the front of this presentation for a statement about metrics this quarter.  
 [2] The Company uses estimates of the stabilized Property NOI if it does not receive current tenant information or if the properties are under construction/in transition. These estimates are based on leasing activity at the property, third party appraisals and available market information, such as leasing activity at comparable properties in the relevant market. Please refer to the Glossary in the Appendix for more information on these calculations.  
 [3] Includes \$1.4m of annualized amortization of right of use asset recorded as real estate expense. Includes our proportionate share of amortization from our equity method investment.

# Unrealized Capital Appreciation



**11x**  
UCA Growth  
Since IPO

Unrealized Capital Appreciation (UCA) is calculated as today's estimated Combined Property Value (CPV) less the Aggregate Cost Basis of SAFE's portfolio. CBRE conducts independent appraisals of the CPV of each property<sup>(1)</sup>.

The Company formed a wholly-owned subsidiary called "CARET" that is structured to track and capture Unrealized Capital Appreciation. Under a shareholder-approved plan, management has earned up to 15% of UCA, subject to time-based vesting<sup>(2)</sup>.

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

(1) SAFE relies in part on CBRE's appraisals in calculating Owned Residual Portfolio and Unrealized Capital Appreciation. SAFE may utilize management's estimate of CPV for ground lease investments recently acquired that CBRE has not yet appraised. For forward commitments on construction deals, CPV represents the cost to build inclusive of the ground lease. Please refer to our Current Report on Form 8-K filed with the SEC on April 23, 2020 and "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2019, and Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 as updated from time to time in our subsequent periodic reports, filed with the SEC, for a further discussion of such tenants' rights.

(2) See the Company's 2019 proxy statement for additional information on the long-term incentive plan.

# APPENDIX

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# Income Statements

|  | For the three months ended Mar 31, |                 |
|--|------------------------------------|-----------------|
|  | 2020                               | 2019            |
| <b>Revenues:</b>   |                                    |                 |
| Operating lease income   | \$20,780                           | \$20,516        |
| Interest income from sales-type leases   | 18,901                             | 922             |
| Other income   | 484                                | 382             |
| <b>Total revenues</b>  | <b>\$40,165</b>                    | <b>\$21,820</b> |
| <b>Costs and expenses:</b>   |                                    |                 |
| Interest expense   | \$15,148                           | \$4,521         |
| Real estate expense  | 798                                | 812             |
| Depreciation and amortization  | 2,348                              | 2,343           |
| General and administrative   | 5,253                              | 2,982           |
| Other expense  | 40                                 | 25              |
| <b>Total costs and expenses</b>  | <b>\$23,587</b>                    | <b>\$10,683</b> |
| <b>Income from operations before other items</b>   | <b>\$16,578</b>                    | <b>\$11,137</b> |
| Earnings from equity method investments  | 818                                | -               |
| <b>Net income</b>  | <b>\$17,396</b>                    | <b>\$11,137</b> |
| Net (income) attributable to non-controlling interests                                   | (49)                               | (4,518)         |
| <b>Net income attributable to Safehold Inc.<br/>and allocable to common shareholders</b> | <b>\$17,347</b>                    | <b>\$6,619</b>  |
| <b>Weighted avg. share count (basic)</b>   | <b>48,228</b>                      | <b>18,296</b>   |
| <b>Weighted avg. share count (diluted)</b>   | <b>48,228</b>                      | <b>30,657</b>   |
| <b>Earnings per share (basic &amp; diluted)</b>  | <b>\$0.36</b>                      | <b>\$0.36</b>   |

Note: Figures in thousands except for share amounts.

# Balance Sheets

|   | March 31, 2020     | December 31, 2019  |
|---|--------------------|--------------------|
| <b>Assets:</b>  |                    |                    |
| Real estate:  |                    |                    |
| Real estate, at cost  | \$687,902          | \$687,902          |
| Less: accumulated depreciation  | (17,793)           | (16,286)           |
| Real estate, net  | \$670,109          | \$671,616          |
| Real estate-related intangibles, net                                  | 241,171            | 242,837            |
| Total real estate, net and real estate-related intangible assets, net | \$911,280          | \$914,453          |
| Net investment in sales-type leases                                   | 1,028,980          | 984,598            |
| Ground Lease receivables, net   | 422,217            | 397,087            |
| Equity investments in Ground Leases                                   | 128,123            | 127,524            |
| Cash and cash equivalents   | 257,739            | 22,704             |
| Restricted cash   | 42,009             | 24,078             |
| Deferred operating lease income receivable                            | 67,082             | 58,303             |
| Deferred expenses and other assets, net                               | 42,197             | 37,814             |
| <b>Total assets</b>   | <b>\$2,899,627</b> | <b>\$2,566,561</b> |
| <b>Liabilities:</b>   |                    |                    |
| Accounts payable, accrued expenses, and other liabilities             | \$68,821           | \$43,008           |
| Real estate-related Intangible liabilities, net                       | 57,172             | 57,333             |
| Debt obligations, net   | 1,542,396          | 1,372,922          |
| <b>Total liabilities</b>  | <b>\$1,668,389</b> | <b>\$1,473,263</b> |
| <b>Equity:</b>  |                    |                    |
| Safehold Inc. shareholders' equity:                                   |                    |                    |
| Common stock  | \$510              | \$478              |
| Additional paid-in capital  | 1,283,643          | 1,132,603          |
| Retained earnings (deficit)   | 7,236              | (2,146)            |
| Accumulated other comprehensive loss                                  | (61,779)           | (39,123)           |
| <b>Total shareholders' equity</b>                                     | <b>\$1,229,610</b> | <b>\$1,091,812</b> |
| Non-controlling interests   | \$1,628            | \$1,486            |
| <b>Total equity</b>   | <b>\$1,231,238</b> | <b>\$1,093,298</b> |
| <b>Total liabilities and equity</b>                                   | <b>\$2,899,627</b> | <b>\$2,566,561</b> |

Note: \$ in thousands.

## Appendix

# Portfolio Reconciliation

|  | IPO<br>(6/22/17) | 3/31/18 | 3/31/19 | 3/31/20 |
|--|------------------|---------|---------|---------|
| <b>Net investment in Sales-Type Leases</b>                               | -                | -       | \$129   | \$1,029 |
| Ground Lease receivables, net  | -                | -       | -       | \$422   |
| Pro-rata interest in Sales-Type Leases held as equity method investments | -                | -       | -       | \$342   |
| <b>Real estate, net (Operating Leases)</b>                               | \$265            | \$451   | \$661   | \$670   |
| Add: Accumulated depreciation  | 1                | 6       | 12      | 18      |
| Add: Lease intangible assets, net  | 123              | 184     | 237     | 241     |
| Add: Accumulated amortization  | 1                | 5       | 11      | 18      |
| Add: Other assets  | -                | -       | 25      | 24      |
| Less: Lease intangible liabilities, net                                  | (51)             | (58)    | (58)    | (57)    |
| Less: Non-controlling interest   | -                | (2)     | (2)     | (2)     |
| <b>Gross Book Value</b>  | \$339            | \$585   | \$1,015 | \$2,705 |
| Forward Commitments  | -                | 34      | 74      | 96      |
| <b>Aggregate Gross Book Value</b>  | \$339            | \$619   | \$1,089 | \$2,800 |
| Less: Accruals to net investment in leases and ground lease receivables  | -                | -       | -       | (15)    |
| <b>Aggregate Cost Basis</b>  | \$339            | \$619   | \$1,089 | \$2,785 |

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

# Glossary

|   |   |
|---|---|
| <b>Aggregate Cost Basis</b>             | Represents Cost Basis plus forward commitments. For forward commitments, it represents the aggregate contractual purchase price to be paid under the commitments.   |
| <b>Aggregate Gross Book Value</b>       | Represents the Current Portfolio plus forward commitments. For forward commitments, it represents the contractual purchase price to be paid under the commitments.  |
| <b>Annualized Cash Rent</b>             | Calculated as the annualized base Cash Rent for ground leases plus Percentage Rent.   |
| <b>Cash Rent</b>                        | Represents ground lease income recognized excluding straight-line rent, amortization of lease intangibles, and non-cash income from sales-type leases.  |
| <b>Cost Basis</b>                       | Represents the historical purchase price of an asset, including capitalized acquisition costs.  |
| <b>Combined Property Value (CPV)</b>    | The current combined value of the land, buildings and improvements relating to a commercial property, as if there was no ground lease on the land at the property. CPV is generally based on independent appraisals; however, the Company will use actual sales prices/management estimates for recently acquired and originated ground leases for which appraisals are not yet available. In relation to forward commitments, CPV represents the total cost associated with the acquisition, development, and construction of the project. |
| <b>Current Portfolio</b>                | Represents the portfolio of assets owned at the date indicated, measured using Gross Book Value. Does not include forward commitments.  |
| <b>Effective Yield</b>                  | Effective Yield is computed similarly to effective yield on a bond, using the rate implicit in the lease based on the contractual future cash flows and a residual equal to our cost of the land.   |
| <b>Gross Book Value (GBV)</b>           | Represents the historical purchase price of an asset plus accrued interest on sales type leases.  |
| <b>Ground Lease-to-Value (GLTV)</b>     | Calculated as the Aggregate GBV divided by CPV. Safehold uses this metric to assess risk and our seniority level in a real estate capital structure. Similar to the concept of the LTV metric used in the loan market.  |
| <b>Interest Rate</b>                    | The all-in stated interest rate over the term of debt.  |
| <b>Owned Residual Portfolio</b>         | Represents the portfolio of properties under which Safehold owns a ground lease and reflects Safehold's right to the property and tenant improvements at the end of the lease. The current value of the Owned Residual Portfolio is typically represented by the Combined Property Value or CPV of our portfolio.   |
| <b>Percentage Rent</b>                  | Represents TTM percentage rent of ground lease assets.  |
| <b>Property NOI</b>                     | Represents the net operating income of the building/Safehold's ground lease tenant prior to paying ground lease rent.   |
| <b>Rent Coverage</b>                    | The ratio of Property NOI or estimated Property NOI to the Annualized Cash Rent due to Safehold. The Company uses estimates of the stabilized Property NOI if it does not receive current tenant information and for properties under construction or transition, in each case based on leasing activity at the property and available market information, including leasing activity at comparable properties in the relevant market.  |
| <b>Safehold™/Safehold™ Ground Lease</b> | A ground lease originated and structured by Safehold.   |
| <b>Total Annualized GAAP Rent</b>       | Current quarter revenue from operating and sales type leases recognized by GAAP annualized.   |
| <b>Underwritten Effective Yield</b>     | The Effective Yield of a ground lease using our underwriting assumptions. This includes estimated land value annual growth of 2%.   |
| <b>Unrealized Capital Appreciation</b>  | Calculated as the difference between CPV and the portfolio's Aggregate Cost Basis. The Company believes Unrealized Capital Appreciation represents additional potential value to SAFE stockholders through the reversion rights embedded in standard ground leases.   |



