



Safehold

**Fixed Income Update**

Q2'23

# Forward-Looking Statements and Other Matters

This presentation 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 and include estimates of UCA and Illustrative Caret Adjusted Yield. 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 the 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: (1) any delay in or our inability to realize the expected benefits of the recently consummated merger of Safehold Inc. and iStar Inc. ("STAR") and/or our recently consummated spin-off of Star Holdings (collectively, the "transactions"); (2) changes in tax laws, regulations, rates, policies or interpretations; (3) the risk of unexpected significant transaction costs and/or unknown liabilities related to the transactions; (4) potential litigation relating to the transactions; (5) the impact of actions taken by significant stockholders; (6) general economic and business conditions; (7) market demand for ground lease capital; (8) the Company's ability to source new ground lease investments; (9) the availability of funds to complete new ground lease investments; (10) risks that the rent adjustment clauses in the Company's leases will not adequately keep up with changes in market value and inflation; (11) risks associated with certain tenant and industry concentrations in our portfolio; (12) conflicts of interest and other risks associated with our relationship with Star Holdings and other significant investors; (13) 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); (14) risks that we will be unable to realize incremental value from the UCA in our Owned Residual Portfolio; (15) the value that will be attributed to Caret units in the future; (16) risks that tenant rights in certain of our ground leases will limit or eliminate the Owned Residual Portfolio realizations from such properties; (17) 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); (18) dependence on the creditworthiness of our tenants and their financial condition and operating performance; (19) the war in Ukraine and escalating geopolitical tensions as a result of Russia's invasion of Ukraine; and (20) competition from other ground lease investors and risks associated with our failure to qualify for taxation as a REIT, as amended. Please refer to the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2022 and Exhibit 99.3 attached to our 8-K filed on [April 4, 2023] 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.

This presentation also contains modeling and information relating to potential inflation, which are presented for illustrative purposes only, and are not guarantees or otherwise necessarily indicative of future performance. In addition, this presentation contains certain figures, projections and calculations based in part on management's underlying assumptions. Management believes these assumptions are reasonable; however, other reasonable assumptions could provide differing outputs.

**Important Note re COVID-19:** Readers of this presentation are cautioned that, due to the possibility that the COVID-19 pandemic and its after-effects will have a delayed adverse impact on our financial results, along with the related uncertainty created by the pandemic, our results for the period may not be indicative of future results. Similarly, our Rent Coverage and Unrealized Capital Appreciation as of 7/30/23 may decline with respect to certain properties in future periods due to the continuing impact of the pandemic and its after-effects and the fact that certain metrics that we report and monitor may not reflect the full effects of the pandemic and its after-effects as of their dates of determination. Readers are urged to read our Annual Report on Form 10-Q for the quarter ended June 30, 2023 filed with the SEC for a more fulsome discussion of our quarterly results, including the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section included therein.

**Note:** Please refer to the Glossary at the end of this presentation for a list of defined terms and metrics. Everything as of 6/30/23 unless otherwise noted.

**Merger Transaction / Basis of Presentation:** On August 10, 2022, Safehold Inc. ("Old Safe") entered into an Agreement and Plan of Merger (the "Merger Agreement") with iStar Inc. ("iStar"), and on March 31, 2023, in accordance with the terms of the Merger Agreement, Old Safe merged with and into iStar, at which time Old Safe ceased to exist, and iStar continued as the surviving corporation and changed its name to "Safehold Inc." (the "Merger"). For accounting purposes, the Merger is treated as a "reverse acquisition" in which iStar is considered the legal acquirer and Old Safe is considered the accounting acquirer. As a result, the historical financial statements of Old Safe became the historical financial statements of Safehold Inc. Unless context otherwise requires, references to "iStar" refer to iStar prior to the Merger, and references to "we," "our" and "the Company" refer to the business and operations of Old Safe and its consolidated subsidiaries prior to the Merger and to Safehold Inc. (formerly known as iStar Inc.) and its consolidated subsidiaries following the consummation of the Merger.



## Forward-Looking Statements and Other Matters

**Inflation Adjusted Yield / CPI Adjustments:** Safehold™ originated ground leases typically include a periodic rent increase based on prior years cumulative CPI growth with the initial lookback year generally starting between lease year 11 and 21. These CPI lookbacks are generally capped between 3.0% - 3.5% per annum compounded. In the event cumulative inflation growth for the lookback period exceeds the cap, the excess is not captured by the CPI lookback. Other forms of inflation capture include fair market value resets and percentage rent, typically for acquired ground leases. 84% of our portfolio as determined by cash rent has some form of a CPI lookback and 95% of our portfolio as determined by cash rent has some form of inflation capture. For Inflation Adjusted Yield calculation assumes current FRED 30-yr Breakeven Inflation Rate of 2.27% annually. (Federal Reserve Bank of St. Louis, 30-year Breakeven Inflation Rate, retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/T30YIEM>, August 10, 2023)

**Rent Coverage / Property NOI:** 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 property appraisals and available market information, such as leasing activity at comparable properties in the relevant market.

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# 01 Credit Update

## Executive Summary

Safehold (NYSE: SAFE) is the creator and market leader of the modern ground lease industry. We provide a capital solution that makes commercial real estate ownership more cost efficient

**During Q2'23, we originated 3 new ground leases totaling \$129 million<sup>1</sup>, all multifamily, with 3 new customers across 3 unique markets**

**On August 7, 2023, we completed a public equity offering with a concurrent private placement to MSD Partners for total gross proceeds of ~\$152m**

### 01 Market Leader with Platform Built for Scale and Post-Merger Credit Momentum

- All key functions in-house with 85-employees and continuity of management team that built the business
- "A" rating in sight: Moody's (Baa1) Positive Outlook in August 2022 and Fitch (BBB+) Positive Outlook in February 2023

### 02 Consistent Thesis, Strategy and Risk Controls with Strong Asset Performance

- Appropriately sized and structured ground leases beneath well-located, institutionally owned commercial real estate diversified across the Top 30 U.S. MSAs with low GLTV and high rent coverage

### 03 Flexible, Long-Dated Capital Structure with Growing Unencumbered Asset Pool and Unsecured Debt Mix

- Long-term, ladder debt profile with no corporate maturities due until 2026 (2021 Unsecured Revolver)
- Large and growing unencumbered asset base diversified by market, underlying property type, tenant and lender

### 04 Attractive Relative Value and Entry Point

- Favorable credit metrics and risk profile versus certain REITs, specialty finance companies and lessors
- We believe secondary spreads are not currently representative of credit profile

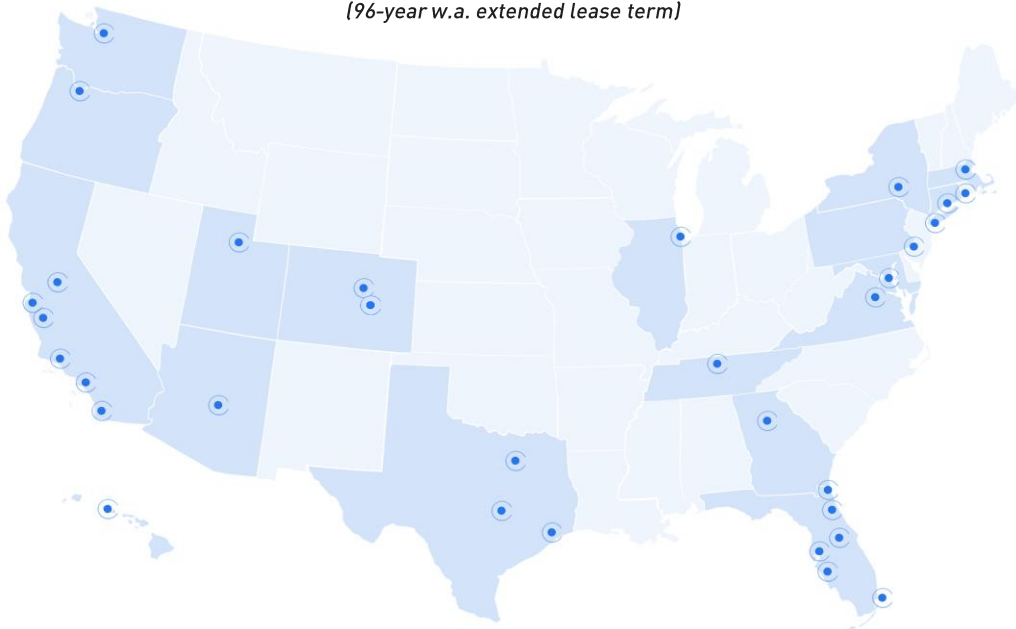
(1) Represents Aggregate Cost Basis gross of joint venture partner's commitment. SAFE ground lease commitment is \$112 million net of JV partners 45% ownership in two transactions. Includes \$17m funded by us during the pre-development stage in Q1 '23. Investments in Q2 '23 also include \$90m of new forward commitments (including amounts to be paid to a fund partially owned by us) that have not yet been funded (such funding commitments are subject to certain conditions). There can be no assurance that Safehold will fully fund these transactions.

# Unencumbered Asset Diversification

Safehold primarily invests in the top 30 MSAs across the U.S., positioned for long-term sustainable growth

## \$3.5b UA Core Ground Lease Portfolio

(96-year w.a. extended lease term)



### Top 5 UA Gateway Markets (% of GBV, Count, Rent Coverage<sup>2</sup>, GLTV<sup>3</sup>)

1. New York (13%)<sup>1</sup> – 10 Assets (3.3x, 44%)
2. Boston (13%) – 3 Assets (3.5x, 43%)
3. Washington D.C. (12%) – 11 Assets (4.8x, 40%)
4. Los Angeles (8%) – 6 Assets (3.5x, 39%)
5. San Francisco (7%) – 4 Assets (3.1x, 50%)

### Top 5 UA Growth Markets (% of GBV, Count, Rent Coverage<sup>2</sup>, GLTV<sup>3</sup>)

1. Denver (7%) – 6 Assets (3.1x, 47%)
2. Nashville (6%) – 4 Assets (3.1x, 39%)
3. Miami (6%) – 4 Assets (3.7x, 35%)
4. Orlando (2%) – 3 Assets (4.1x, 28%)
5. Seattle (2%) – 4 Assets (2.9x, 38%)

Portfolio by Count

	Northeast	West	Mid Atlantic	Southeast	Southwest	Central	Total	GBV %	Rent Coverage <sup>2</sup>	GLTV <sup>3</sup>
<b>Multifamily</b>	7	19	6	18	5	3	<b>58</b>	<b>54%</b>	<b>3.4x</b>	<b>36%</b>
<b>Office</b>	4	7	6	1	3	0	<b>21</b>	<b>26%</b>	<b>4.1x</b>	<b>49%</b>
<b>Hotel</b>	2	2	1	1	1	0	<b>7</b>	<b>7%</b>	<b>5.1x</b>	<b>37%</b>
<b>Mixed Use / Other</b>	1	1	0	0	0	0	<b>2</b>	<b>4%</b>	<b>3.1x</b>	<b>45%</b>
<b>Life Science</b>	1	2	2	0	0	0	<b>5</b>	<b>9%</b>	<b>4.9x</b>	<b>41%</b>
<b>Total</b>	<b>15</b>	<b>31</b>	<b>15</b>	<b>20</b>	<b>9</b>	<b>3</b>	<b>93</b>	<b>100%</b>	<b>3.8x</b>	<b>40%</b>

Note: Represents GBV of unencumbered ground leases and does not include cash and other assets. Total unencumbered assets is \$3.7b.

(1) Manhattan market makes up 4% of total New York MSA (3 assets).

(2) The Company uses estimates of the stabilized Property NOI for Rent Coverage calculations 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.

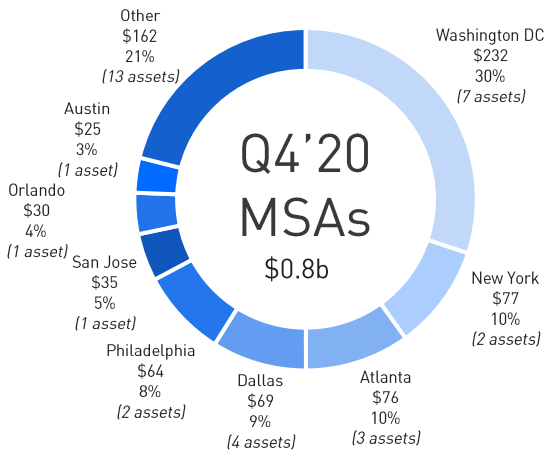
(3) The CPV used to calculate GLTV is generally based on independent appraisals; however, the Company will use actual sales prices / management estimates for recently acquired and originated ground leases for which appraisals are not yet available.

# Unencumbered Asset Evolution

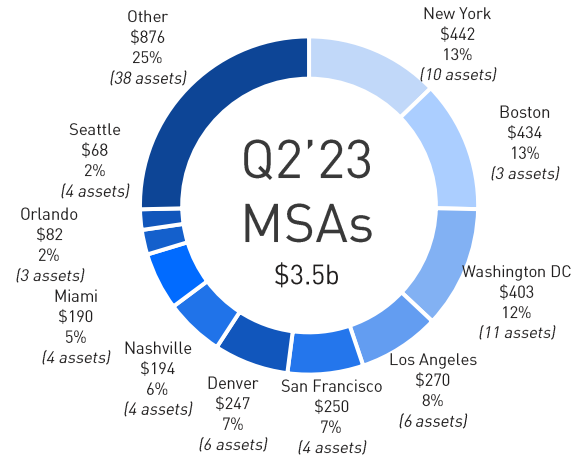
	Q4'20		Q2'23
Total UA GBV <sup>1</sup>	\$0.8b	+\$2.7b	\$3.5b
Total UA Count	34	+59	93
Top 10 UA by GBV	56%	-22%	34%
Est. UA UCA	\$1.4b	+\$5.0b	\$6.4b
UA Unique Sponsors	27	+39	66
UA Unique LH Lenders	16	+21	37

- Since our initial rating / first unsecured offering...
- ✓ Emphasis on multifamily (~70% of investments)
  - ✓ Largest new market: Boston (now 13% of UA)
  - ✓ GLTV & rent coverage remained flat at ~40% and ~4x

Institutional sponsors in addition to leasehold lenders, provide two layers of protection to Safehold and its creditors



Significant growth and diversification



Note: Q2'23 MSA's reflect gateway and growth markets listed on page 6.  
 (1) Represents GBV of unencumbered ground leases and does not include cash and other assets. Total unencumbered assets is \$3.7b.  
 Safehold | The Ground Lease Company | August 2023

# Unencumbered Asset Overview

93	Ground Leases	\$3.5b	GBV <sup>1</sup>	\$6.4b	Est. UCA	3.8x	Rent Coverage <sup>2</sup>	40%	GLTV <sup>3</sup>
Multifamily	58	Multifamily	\$1.9b	Multifamily	\$3.9b	Multifamily	3.4x	Multifamily	36%
Office	21	Office	\$0.9b	Office	\$1.1b	Office	4.1x	Office	49%
Life Science	5	Life Science	\$0.3b	Life Science	\$0.7b	Life Science	4.9x	Life Science	41%
Hotel	7	Hotel	\$0.2b	Hotel	\$0.5b	Hotel	5.1x	Hotel	37%
Mixed Use	2	Mixed Use	\$0.1b	Mixed Use	\$0.2b	Mixed Use	3.1x	Mixed Use	45%

## Safehold targets infill locations that sit within economic, technological, education and cultural centers

### Asset Highlights:

- **20 CambridgeSide:** \$210m GBV; Development of an 11-story, 360k square foot trophy lab building located in East Cambridge
- **Skylark:** \$129m GBV; Multifamily asset in a high performing San Francisco submarket with exceptional demographics
- **1551 Wewatta:** \$120m GBV; Class-A trophy 10-story office in Denver’s strongest office submarket, leased to an A-rated tenant
- **1111 Church:** \$84m GBV; Trophy multifamily high-rise comprised of 380 residential units and 501 parking spaces in Nashville
- **Soleste:** \$64m GBV; New vintage, highly amenitized Class-A multifamily tower in Downtown Miami near transit



**20 CambridgeSide**  
Boston, MA



**Skylark**  
San Francisco, CA



**1551 Wewatta**  
Denver, CO



**1111 Church**  
Nashville, TN



**Soleste**  
Miami, FL

Note: Please see “Unrealized Capital Appreciation Details” in the Appendix for more information; Excludes forward commitments.

(1) Represents GBV of unencumbered ground leases and does not include cash and other assets. Total unencumbered assets is \$3.7b.

(2) The Company uses estimates of the stabilized Property NOI for Rent Coverage calculations 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.

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# Capital Structure

100% unsecured debt use since initial credit rating of Baa1 / BBB+, \$0 of non-recourse secured debt raised in last 3+ years; commitment to further rating upgrades

**\$4.3b**  
Total Debt<sup>1</sup>

**23 Years**  
W.A. Maturity<sup>1 2</sup>

**3.3% / 3.8%**  
Current Cash /  
Effective Cost of Debt<sup>1 2</sup>

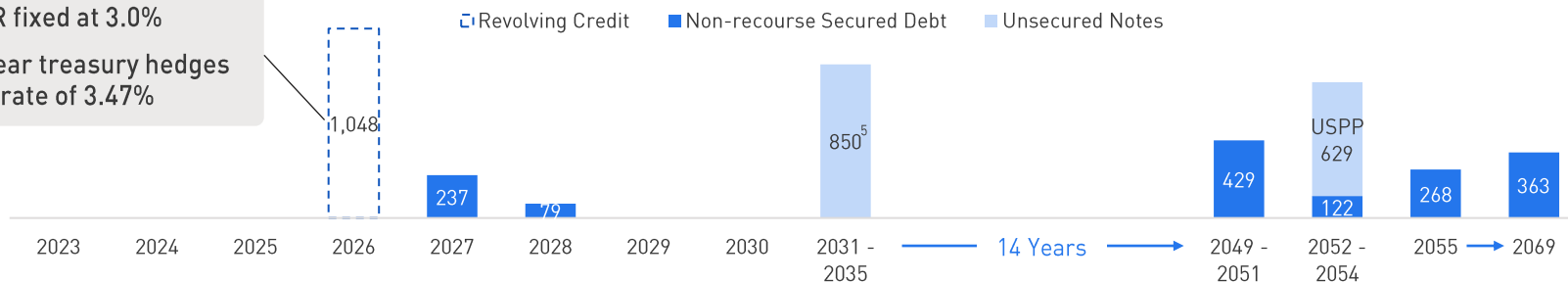
**1.9x**  
Corporate  
Leverage<sup>1</sup>

**59%**  
Unsecured Debt as  
% of Total Debt<sup>1</sup>

## In-the-money Hedges

\$500m SOFR fixed at 3.0%  
\$400m 30-year treasury hedges  
fixed at w.a. rate of 3.47%

## Debt Maturity Schedule<sup>3</sup>



% of Total	2023	2024	2025	2026	2027	2028	2029	2030	2031 - 2035	2049 - 2051	2052 - 2054	2055	2069	
				26%	6%	2%			21%		11%	18%	7%	9%
Current Cash Interest Rate <sup>4</sup>				Adj. SOFR + 1.0%	3.8%	4.3%			3.3%		3.3%	3.5%	2.9%	3.1%
Effective Interest Rate <sup>4</sup>				Adj. SOFR + 1.0%	3.8%	4.3%			3.3%		4.0%	4.2%	3.7%	4.2%

Note: \$ in millions; As of 6/30/2023

(1) Includes JV debt. Corporate leverage represents Total Debt divided by GAAP total shareholders' equity.

(2) Excludes outstanding borrowings under the Company's unsecured revolving credit facility.

(3) Reflects amount due at maturity, excluding unamortized discount and unamortized deferred financing costs.

(4) Reflects weighted average interest rate for each year based on the total outstanding balance.

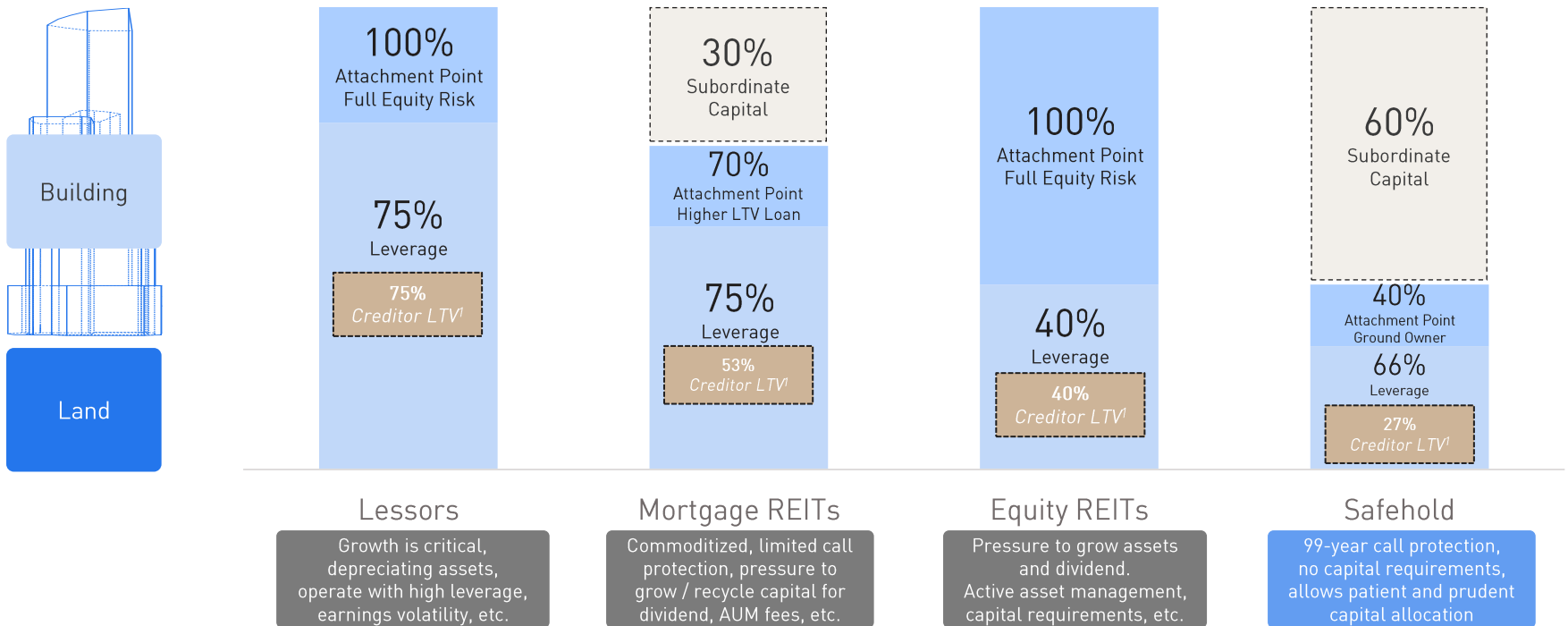
(5) Includes \$400m maturity in 2031, \$350m maturity in 2032, and \$100m maturity in 2035.

# Underlying Risk Comparison

Safehold and its creditors sit at a significantly lower attachment point in a property’s capital structure than typical Lessors, Mortgage and Equity REITs

Our creditors are effectively financing long-term, low-risk cash flow streams that have the most subordinate capital in the real estate sector. They benefit from a diverse portfolio of high-quality ground leases located in top markets, relative to certain lessors (highest attachment point, credit and depreciation / obsolescence risks), mortgage REITs (higher attachment point and property risks) and equity REITs (NNN retail exposure with credit and location risks, office / multifamily with asset type and location concentration risks)


## Illustrative Attachment Point and Leverage Comparison



(1) Creditor LTV represents look-through LTV to hypothetical asset. Lessors 75% LTV on 100% of value, Mortgage REIT 75% Loan-on-Loan LTV on 70% LTV asset, Equity REIT 40% LTV on 100% of value, Safehold 66% LTV on 40% GLTV ground lease position.

## Relative Value Comparison

We believe Safehold's secondary spreads do not accurately capture the credit quality and momentum of the business. We believe current levels present an attractive risk-adjusted opportunity for investors to outperform businesses that have fewer near-term credit catalysts and own inherently riskier or more capital-intense assets

		NNN <sup>2</sup>	Multifamily <sup>3</sup>	Data Center <sup>4</sup>	Cell Tower <sup>5</sup>
Investment Attachment Point	40%	100%	100%	100%	100%
Lease Term (Years)	99	5 to 20	1 to 2	3 to 20	3 to 20
OpEx & CapEx	Very Low	Low to Medium	High	Medium	Medium
Protection Layers	3	1	1	1	1
Layer 1	Tenants	Tenants	Tenants	Tenants	Tenants
Layer 2	Leasehold Owner	-	-	-	-
Layer 3	Leasehold Lender	-	-	-	-
10-Year Credit Spread <sup>1</sup> (1/18/22 → 5/5/22 → Today)	<i>Quoted</i> +165 → +215 → +250	+95 → +140 → +145	+75 → +115 → +110	+110 → +175 → +150	+120 → +190 → +160
<b>Takeaway</b>	<i>SAFE's 10-year listed spreads are higher and have widened further than other sectors</i>				
30-Year Credit Spread <sup>1</sup> (1/18/22 → 5/5/22 → Today)	<i>Executed</i> +180 → +195 → +TBD	+125 → +175 → +175	+100 → +145 → +155	+135 → +190 → +155	+150 → +200 → +170
<b>Takeaway</b>	<i>SAFE's 30-year private executions have priced better than implied public levels and still wider than other sectors</i>				

(1) 1/18/22 and 5/5/22 reflect pricing date of SAFE private 30-year note issuances (\$625m total). "Today" represents spreads sourced from FactSet as of 8/10/2023. Figures reflect average G-spread of ~10-year and ~30-year unsecured note issuances, using on-the-run spreads (2030-2033 and 2047-2051 bonds for each issuer) as of 8/10/2023. For Safehold, "Today" reflects spread on 2032 notes; Source: FactSet, Company filings

(2) Credit spreads include 0, NNN

(3) Credit spreads include AVB, EQR, MAA

(4) Credit spreads include EQIX

(5) Credit spreads include AMT, CCI

## Credit Ratings Momentum

Safehold’s recent internalization was viewed favorably by both Moody’s and Fitch, as it answered key questions about go-forward strategy and governance. As a result, Safehold was put on Positive Outlook at both agencies, with a clear path to becoming an A-rated borrower

The rating agencies recognize the inherent credit quality and performance of the portfolio, significant shift in our debt capital mix and overall financial flexibility

Year-to-date, Safehold has further expanded its capital access through an incremental \$500m unsecured revolving credit facility and the formation of a \$500m joint venture with a leading sovereign wealth fund<sup>1</sup>

### MOODY’S

**Baa1** (Positive Outlook)

*Positive Outlook in August 2022*

**No Near-Term  
Corporate Debt Maturities**

Until 2026<sup>2</sup>

**23-Year**

W.A. Debt Maturity<sup>3</sup>

### FitchRatings

**BBB+** (Positive Outlook)

*Positive Outlook in February 2023*

**\$816m Liquidity**  
Diversified Funding Sources<sup>4</sup>

**\$3.7b UA Pool**  
Commitment to growing  
unencumbered asset base<sup>5</sup>

Note: all figures as of 6/30/23 unless otherwise noted. Please see “Unrealized Capital Appreciation Details” in the Appendix for more information.

(1) Safehold commitment of \$275m and partner commitment of \$225m. Each party’s commitment is discretionary.

(2) 2026 maturity reflects outstanding 2021 Unsecured Revolver balance.

(3) Includes JV debt and excludes outstanding borrowings under the Company’s unsecured revolving credit facilities.

(4) Includes Cash and Revolver availability.

(5) Represents GBV of unencumbered ground leases and includes cash and other assets.

# 02 Safehold Update

# Company Snapshot as of Q2'23

Portfolio		Balance Sheet					
\$6.3b	Aggregate GBV	92 Years	W.A. Extended Lease Term	Baa1 (Positive)	Moody's	\$3.7b	Unencumbered Assets
134	Ground Leases	3.5%	Annualized Cash Yield	BBB+ (Positive)	Fitch	1.5x	Unencumbered Assets to Unsecured Debt
\$10.1b	Est. Unrealized Capital Appreciation ("UCA")	5.2%	Annualized Yield (GAAP - 0% Inflation)	\$816m	Liquidity <sup>5</sup>	No Maturities	Until 2026
42%	Ground Lease to Value ("GLTV") <sup>1</sup>	5.6%	Economic Yield (2.0% Inflation)	23 Years	W.A. Debt Maturity <sup>6</sup>	3.3%	Debt Cash Interest Rate <sup>6</sup>
3.7x	Rent Coverage <sup>2</sup>	5.8%	Inflation Adjusted Yield <sup>3</sup> (2.27% Inflation) <sup>4</sup>	1.9x	Corporate Leverage <sup>7</sup> (Debt / Book Equity)	3.8%	Debt Effective Interest Rate <sup>6</sup>
Top 30 MSAs	Diversified & Location Centric						

Note: all figures as of 6/30/23 unless otherwise noted. Please see "Unrealized Capital Appreciation Details" in the Appendix for more information. Refer to Glossary in the Appendix for yield calculations and additional details.

(1) The CPV used to calculate GLTV 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.

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(3) Safehold™ originated ground leases typically include a periodic rent increase based on prior years' cumulative CPI growth with the initial lookback year generally starting between lease year 11 and 21. These CPI lookbacks are generally capped between 3.0% - 3.5% per annum compounded. In the event cumulative inflation growth for the lookback period exceeds the cap, the excess is not captured by the CPI lookback. Other forms of inflation capture include fair market value resets and percentage rent, typically for acquired ground leases. 83% of our portfolio as determined by cash rent has some form of a CPI lookback and 95% of our portfolio as determined by cash rent has some form of inflation capture.

(4) Federal Reserve Bank of St. Louis, 30-year Breakeven Inflation Rate, retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/T30YIEM>, August 10, 2023.

(5) Includes Cash and Credit Facility Availability.

(6) Includes JV debt and excludes outstanding borrowings under the Company's unsecured revolving credit facilities.

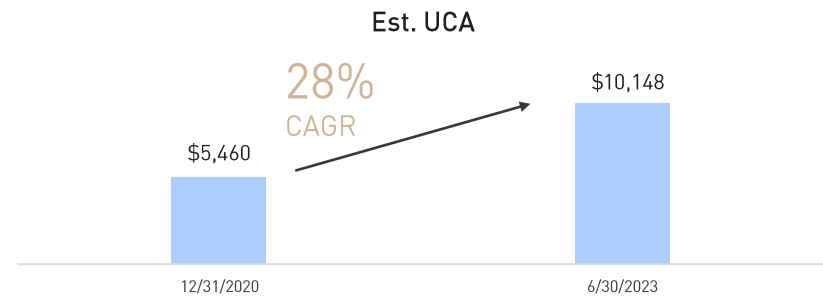
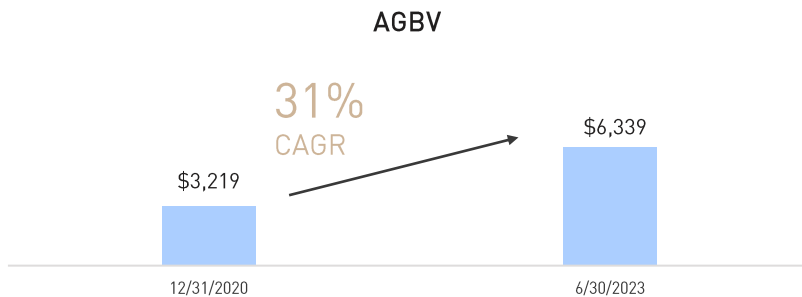
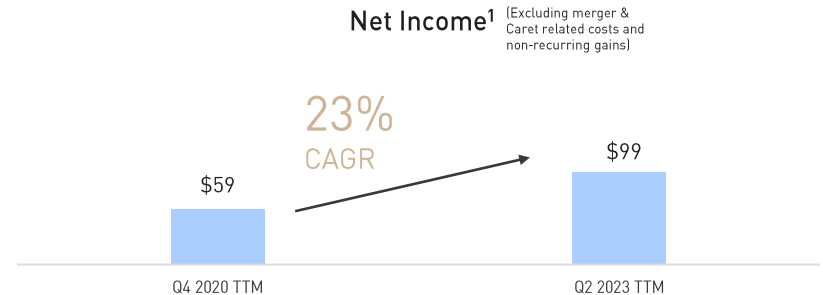
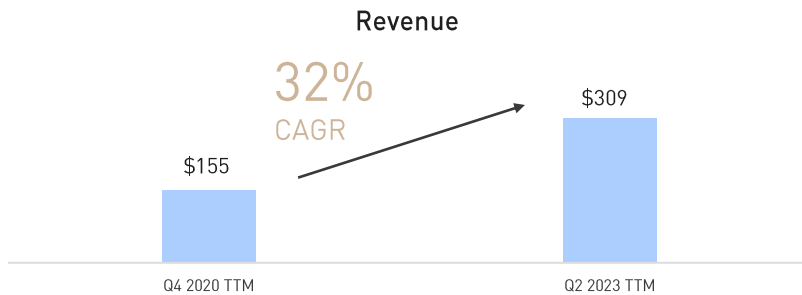
(7) The principal of debt obligations and pro-rata share of secured debt held in unconsolidated JVs divided by total equity.

# Financial Performance

Safehold benefits from steady, predictable revenue and collections against primarily fixed, long-term liabilities

Safehold form lease includes no contractual operating expenses or capital expenditures born by Safehold

G&A structure is stable at current levels and built to support a higher asset base with opportunity for significant operating leverage



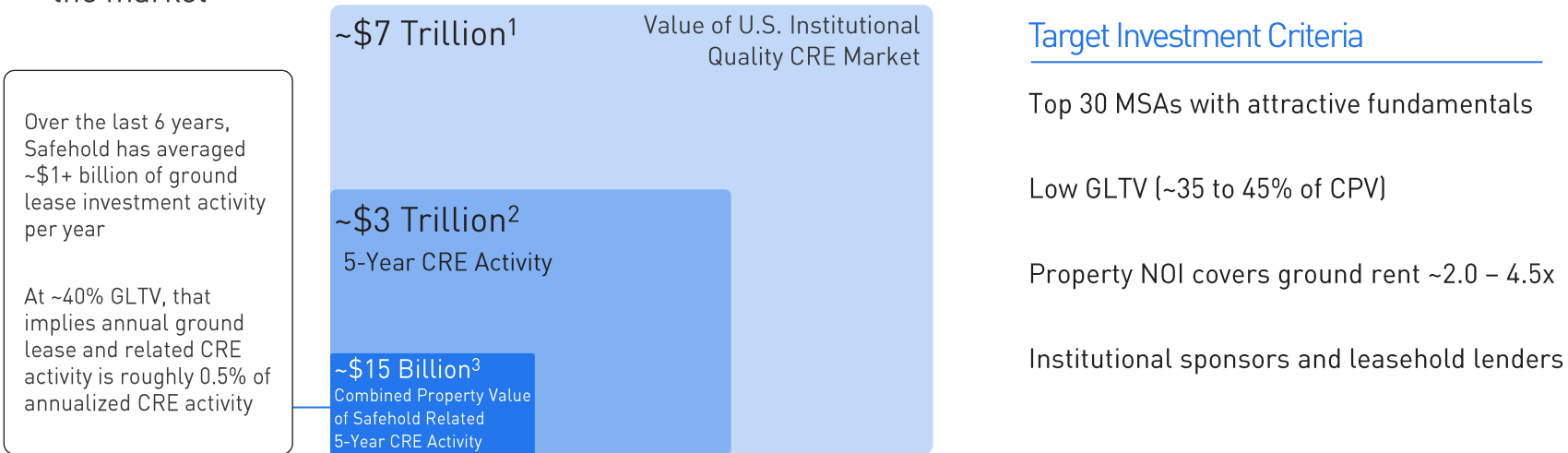
Note: \$ in millions. Net Income excludes any merger and Caret related costs and any non-recurring gains. Please see "Unrealized Capital Appreciation Details" in the Appendix for more information. Actual Net Income (including merger and Caret related costs and any non-recurring gains) of \$115m.

(1) Net Income excludes any merger and Caret related costs and any non-recurring gains. Including merger and Caret related costs and any non-recurring gains, Net Income for Q2 2023 TTM is \$115m. See Earnings Reconciliation in the Appendix for additional information.

# Large Addressable Market

Any liquidity event at the property level (buy/sell, recapitalization, development) in a major market presents an opportunity for Safehold to create a ground lease

Additional product offerings (SAFE<sub>EX</sub>SWAP, GL Plus, Leasehold Loan Fund, SAFE<sub>EX</sub>SELL) create opportunity for us to further build a bigger pipeline, and we also will compete to purchase existing ground leases as they enter the market



## Target Investment Criteria

Top 30 MSAs with attractive fundamentals

Low GLTV (~35 to 45% of CPV)

Property NOI covers ground rent ~2.0 – 4.5x

Institutional sponsors and leasehold lenders

## Unique Rolling Count

	2017	2018	2019	2020	2021	2022	2023
MSAs	12	17	25	30	35	38	39
Sponsors	9	19	36	54	72	87	91
Leasehold Lenders	10	21	30	36	50	54	55

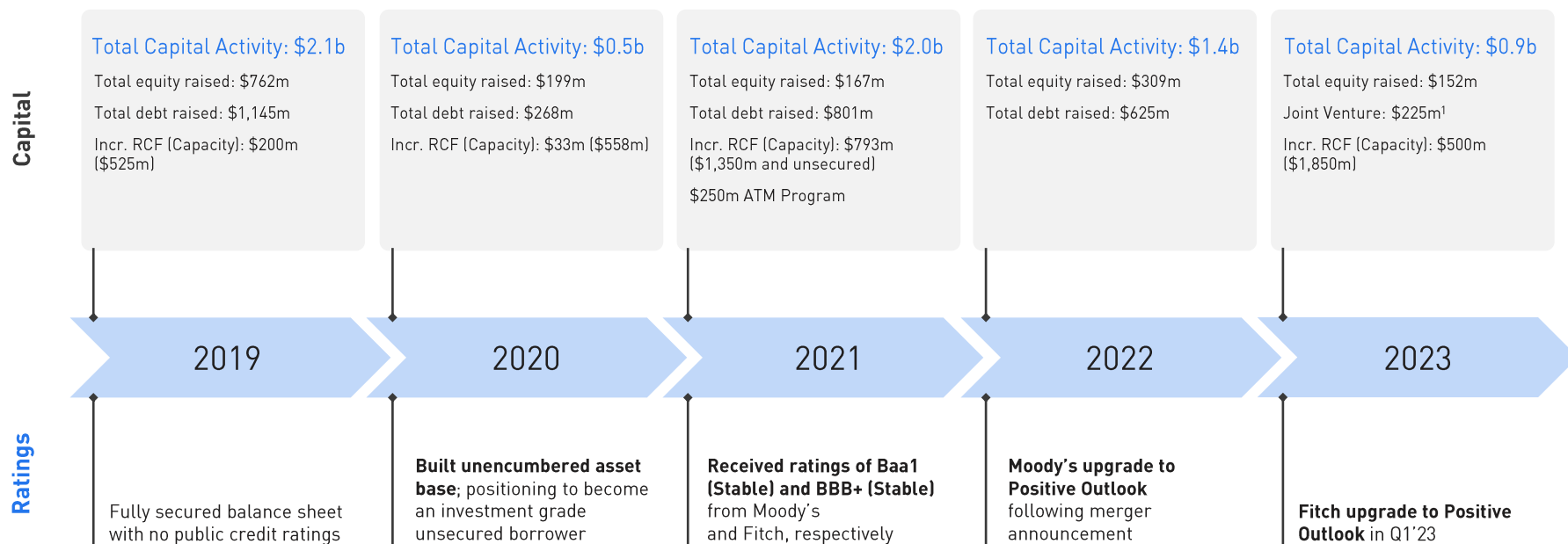
(1) Total estimated size of institutional quality commercial real estate in top 30 markets. Source: RCA Analytics and management estimates.

(2) Includes acquisitions (>\$60M), recapitalizations, and developments of all US multifamily, office, lodging, and industrial assets since 2018. Source: RCA Analytics, CoStar, Green Street.

(3) Represents approximate current Combined Property Value of all transactions originated beginning 2018.



# Capital Highlights



## Balance Sheet Philosophy:

- ✓ Maintain flexible investment grade balance sheet with diverse access to capital
- ✓ Continue optimizing capital structure and cost of capital
- ✓ Maintain leverage target of ~2.0x through equity and long-term debt capital
- ✓ Achieve A3 / A- credit ratings

Note: Debt capital raised includes Safehold's proportionate share of JV debt raised.

(1) Represents JV partner share. Safehold target commitment of \$275m and partner target commitment of \$225m. Each party's commitment is discretionary.

## Recently Formed Joint Venture

In March 2023, Safehold formed a joint venture program with a leading sovereign wealth fund, focused on ground lease investments

<b>Target Commitment<sup>1</sup></b>	<b>\$500m</b> SAFE: \$275 Million – 55% stake Partner: \$225 Million – 45% stake
<b>Economics</b>	<b>Management Fee:</b> 25 bps on invested equity for 1st 5 years; 15 bps thereafter <b>Promote:</b> 15% over 9% IRR subject to a 1.275x MOIC; no catch up
<b>Investment Period</b>	Earlier of 18 months and full deployment of commitments

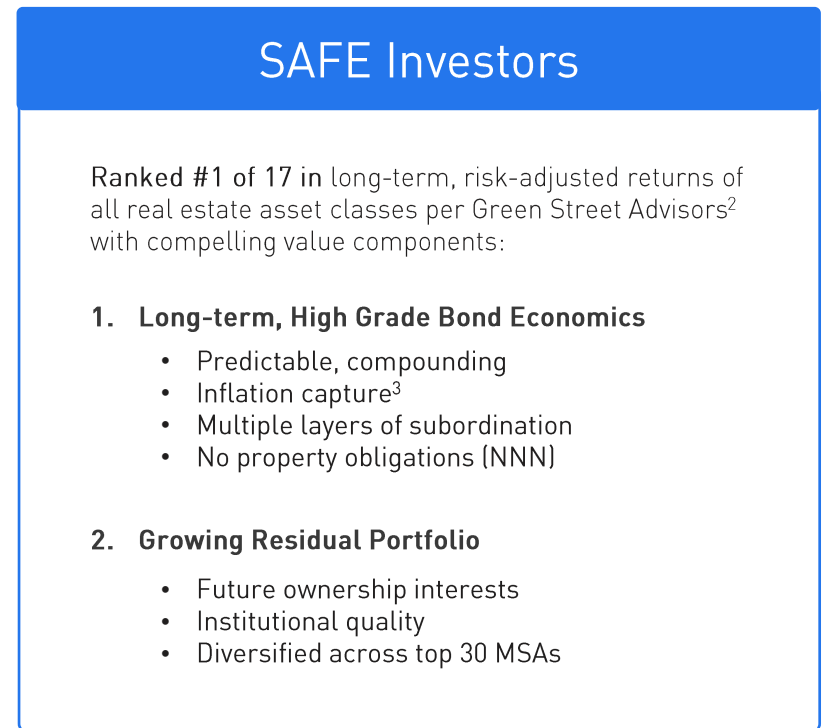
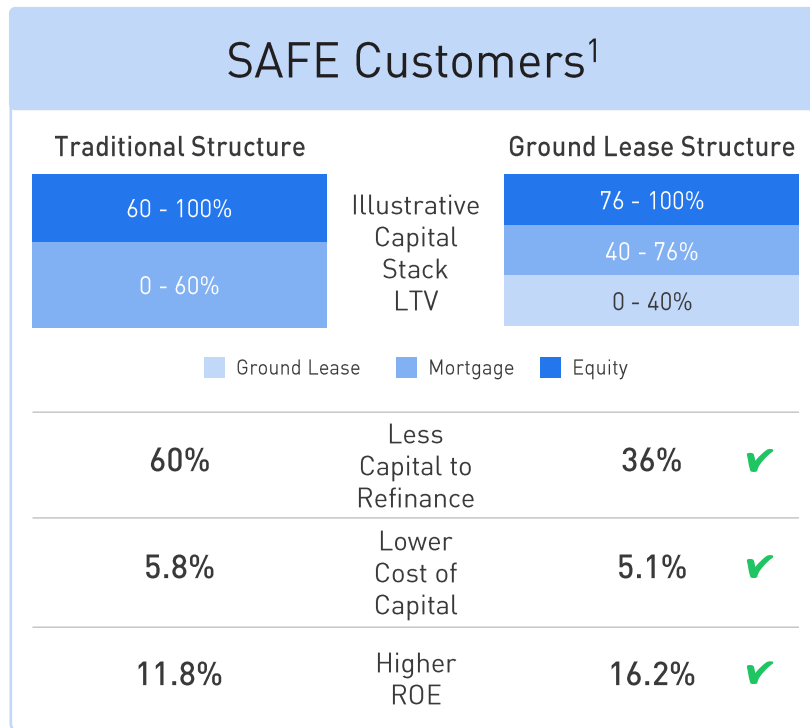
**Similar to how wholly owned ground leases are funded, Safehold intends to fund its capital commitment to the venture with a combination of long-term unsecured debt and equity**

Note: Refer to our Current Report on Form 8-K filed with the SEC on April 4, 2023 for more information.  
 (1) Each party's commitment is discretionary.

# Value Proposition

**Customers:** SAFE ground leases are highly efficient sources of capital that can drive returns, require less equity upfront, eliminate repeated material friction costs and significantly reduce refinancing risk

**Investors:** Ground leases offer durable, compounding cash flows, inflation capture and tax-efficiency backed by well-located, institutionally-owned commercial real estate



(1) Illustrative example, see page 37 for additional detail. Assumes 5.75% beginning cap rate at the underlying property and 5.75% cap rate at time of sale in year 10. Traditional structure assumes 5.75% cost of debt. Ground lease structure assumes 4.5% starting cash yield increasing 2.0% per year, and 5.75% leasehold loan cost.

(2) Green Street Advisors Commercial Property Monthly July 2023.

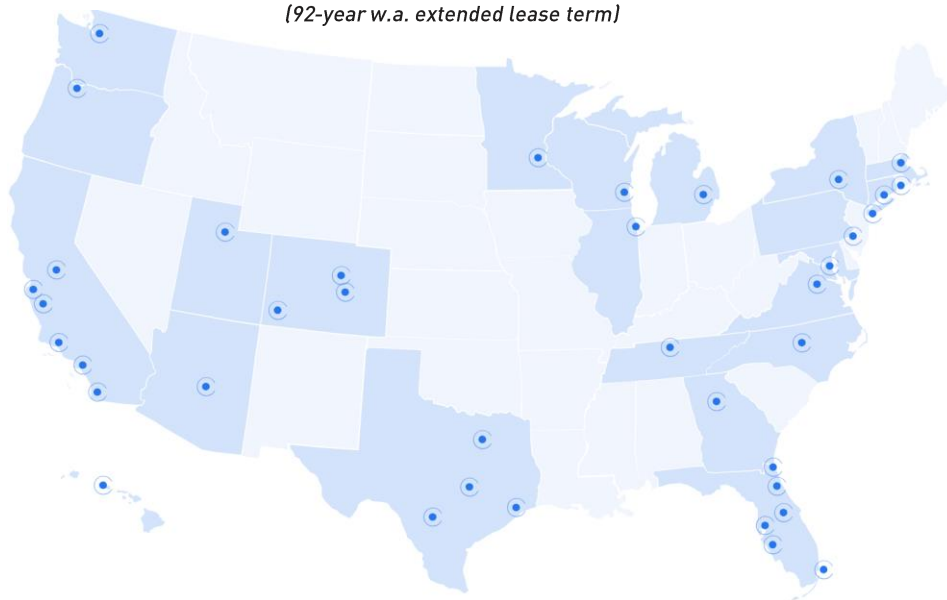
(3) Safehold™ originated ground leases typically include a periodic rent increase based on prior years' cumulative CPI growth with the initial lookback year generally starting between lease year 11 and 21. These CPI lookbacks are generally capped between 3.0% - 3.5% per annum compounded. In the event cumulative inflation growth for the lookback period exceeds the cap, the excess is not captured by the CPI lookback. Other forms of inflation capture include fair market value resets and percentage rent, typically for acquired ground leases. 83% of our portfolio as determined by cash rent has some form of a CPI lookback and 95% of our portfolio as determined by cash rent has some form of inflation capture.

# Portfolio Diversification

Safehold primarily invests in the top 30 MSAs across the U.S., which we believe are positioned for long-term sustainable growth

## \$6.1b Core Ground Lease Portfolio

(92-year w.a. extended lease term)



## Top 10 Markets (% of GBV, Count, Rent Coverage<sup>2</sup>, GLTV<sup>3</sup>)

1. Manhattan (23%)<sup>1</sup> – 10 Assets (3.1x, 48%)
2. Washington D.C. (11%) – 17 Assets (4.2x, 42%)
3. Boston (7%) – 3 Assets (3.5x, 43%)
4. Los Angeles (7%) – 8 Assets (3.7x, 34%)
5. San Francisco (4%) – 5 Assets (3.1x, 51%)
6. Denver (4%) – 6 Assets (3.1x, 47%)
7. Honolulu (4%) – 2 Assets (5.6x, 40%)
8. Nashville (4%) – 5 Assets (3.1x, 37%)
9. Miami (3%) – 6 Assets (3.7x, 34%)
10. Atlanta (3%) – 7 Assets (3.8x, 37%)

Portfolio by Count								Property Type by GBV	Rent Coverage <sup>2</sup>	GLTV <sup>3</sup>
Northeast	West	Mid Atlantic	Southeast	Southwest	Central	Total				
<b>Multifamily</b>	9	21	10	22	6	4	<b>72</b>	<b>37%</b>	<b>3.6x</b>	<b>35%</b>
<b>Office</b>	10	7	9	5	4	1	<b>36</b>	<b>44%</b>	<b>3.5x</b>	<b>48%</b>
<b>Hotel</b>	2	8	1	1	4	0	<b>16</b>	<b>12%</b>	<b>4.2x</b>	<b>45%</b>
<b>Mixed Use / Other</b>	1	1	0	2	0	1	<b>5</b>	<b>3%</b>	<b>3.2x</b>	<b>43%</b>
<b>Life Science</b>	1	2	2	0	0	0	<b>5</b>	<b>4%</b>	<b>4.9x</b>	<b>41%</b>
<b>Total</b>	<b>23</b>	<b>39</b>	<b>22</b>	<b>30</b>	<b>14</b>	<b>6</b>	<b>134</b>	<b>100%</b>	<b>3.7x</b>	<b>42%</b>

Note: Represents Core Ground Lease Portfolio. Based on Gross Book Value of \$6.1b, which excludes \$272m of Safehold's forward commitments (including amounts to be paid to a fund partially owned by us). There can be no assurance that Safehold will fully fund any forward commitments.

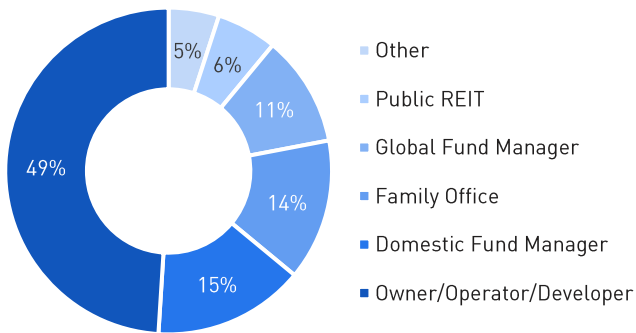
(1) Total New York MSA including areas outside of Manhattan makes up 30% of GBV (18 assets).

(2) The Company uses estimates of the stabilized Property NOI for Rent Coverage calculations 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.

(3) The CPV used to calculate GLTV 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.

# Growing Customer Adoption

## Diversifying Customer Base<sup>1</sup>



## High Customer “Stickiness” & Improving Efficiency

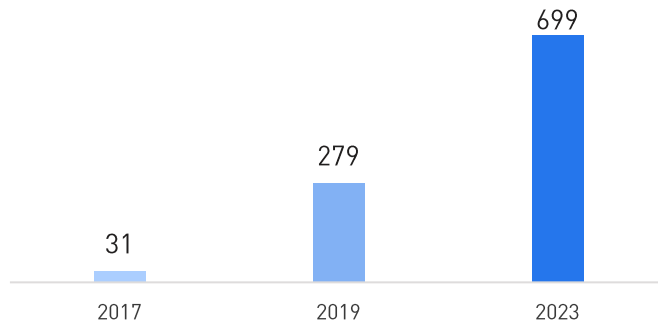
38%

Of customers have closed multiple deals with Safehold

70%

Of existing customers have looked at or are currently reviewing another deal

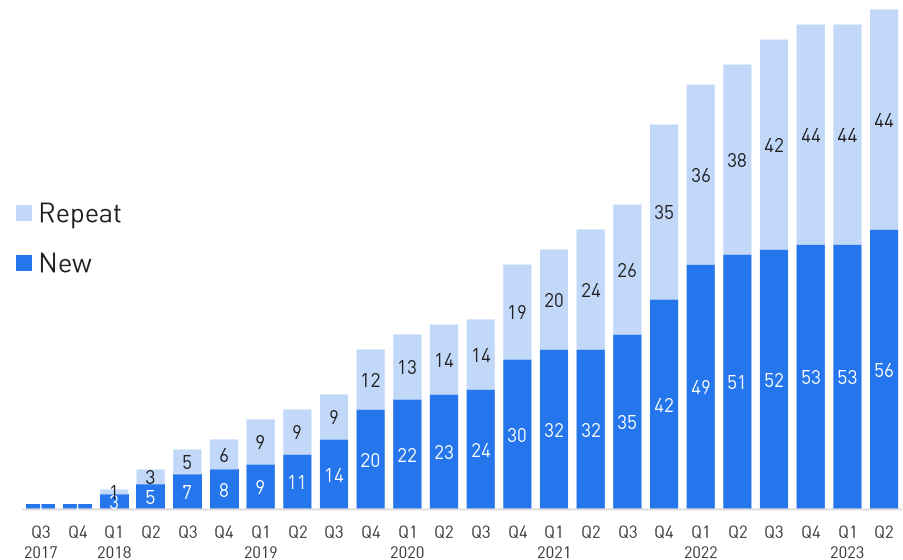
## Increasing Customer Awareness



Cumulative # of unique sponsors that have been pitched a Safehold ground lease

## New vs. Repeat Customers

Cumulative Transaction<sup>2</sup>



Source: Internal CRM tracking metrics as of 6/30/2023.

(1) Based on number of unique sponsors.

(2) Excludes Ground Lease Plus, IPO assets, deals in which iStar was the sponsor, and acquisition of existing ground leases.

## Institutional Customers

Safehold's 134 ground leases include 91 unique tenants

These tenants include financial sponsors, owner/operators, public companies, sovereign wealth funds, and other institutions

**NEW ENGLAND  
DEVELOPMENT**

 **The  
Dinerstein  
Companies**

**Blackstone**

**THE CARLYLE GROUP**

 **HIGHGATE**

**SAMSUNG**

 **UBS**

 **Equity Residential**

**BentallGreenOak**

 **RELATED**

 **HUDSON  
ADVISORS.**

 **GIC**

**Brookfield**

**RXR**

  
**Invesco**

  
**USAA**

  
The Max  
Collaborative



  
**BRONSTEIN  
PROPERTIES**

# Leasehold Liquidity - Institutional Lenders

Safehold's 134 ground leases include 55 unique leasehold lenders

These lenders include agencies, banks, insurance, CMBS, REITs and debt funds



# Case Study of Highest and Best Use

## Ground Lease Payment Made for 13 Years... With No Building

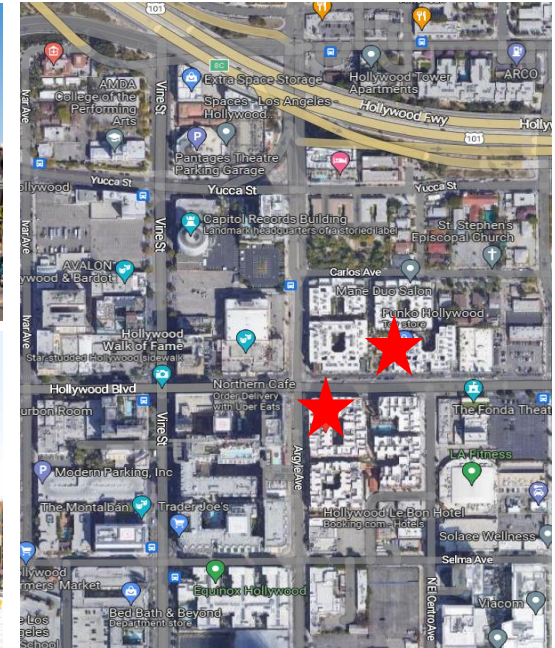
6200 & 6201 Hollywood Boulevard are two newly-built multifamily properties totaling 1k+ units with parking and billboard space on the corner of Hollywood Boulevard & Argyle Avenue.

Safehold acquired the ground lease in June 2017 from the Nederlander's. For decades, the family operated these two sites as parking lots for the Pantages Theater nearby.

In January 2005, the Clarett Group entered into a ground lease with the Nederlander's and obtained requisite permitting to develop the land. However, it ran into company-wide financial difficulty during the economic downturn in 2008-2009.

DLJ Real Estate purchased the site in June 2011 and ultimately developed the properties to what they are today. Construction was completed in 2016 and 2018 for the North and South sites, respectively.

13 years went by between ground lease commencement and fully operational assets on site, and ground lease payment always remained current every month.



Ground Lease Purchase Price (\$m)	\$142
Current CBRE Property Value (\$m)	\$641
GLTV	22%
Inflation Adjusted Yield	6.3%
Term Remaining	81 years



# Case Study of Payments During Covid

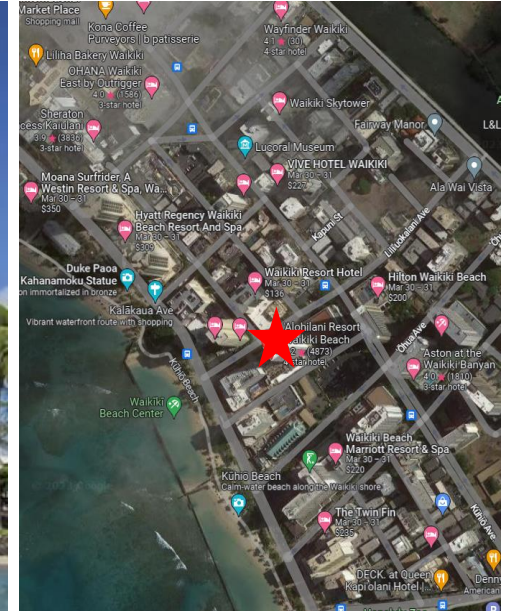
## 100% collections through Covid

Alohilani Resort is an 839-key hotel on Waikiki Beach in Honolulu (1 of only 11 hotels with direct beach access).

Concurrent with the closing of Safehold’s acquisition of the ground lease, we completed an agreement with the leasehold equity sponsor to convert the existing ground lease into a new Safehold form ground lease (SAFEswAP program). New structure extended the term to 99 years, altered payment structure (combination of FMV + percentage rent) to 100% contractual (fixed increases + CPI lookbacks), and improved other structural components (casualty / condemnation, financial reporting, etc.).

At Covid lowpoints, ground rent coverage decreased substantially as leisure travel ceased. Even with the hotel closed and minimal NOI, ground rent payments were kept current, likely since the underlying asset has tremendous long-term value. As post-Covid travel has resumed over the last several quarters, hotel operations have been strong, recovering to pre-pandemic levels.

Even as operations were shut down, the significant amount of capital invested by an institutional owner in a high-quality asset meant ground rent payments would be paid.

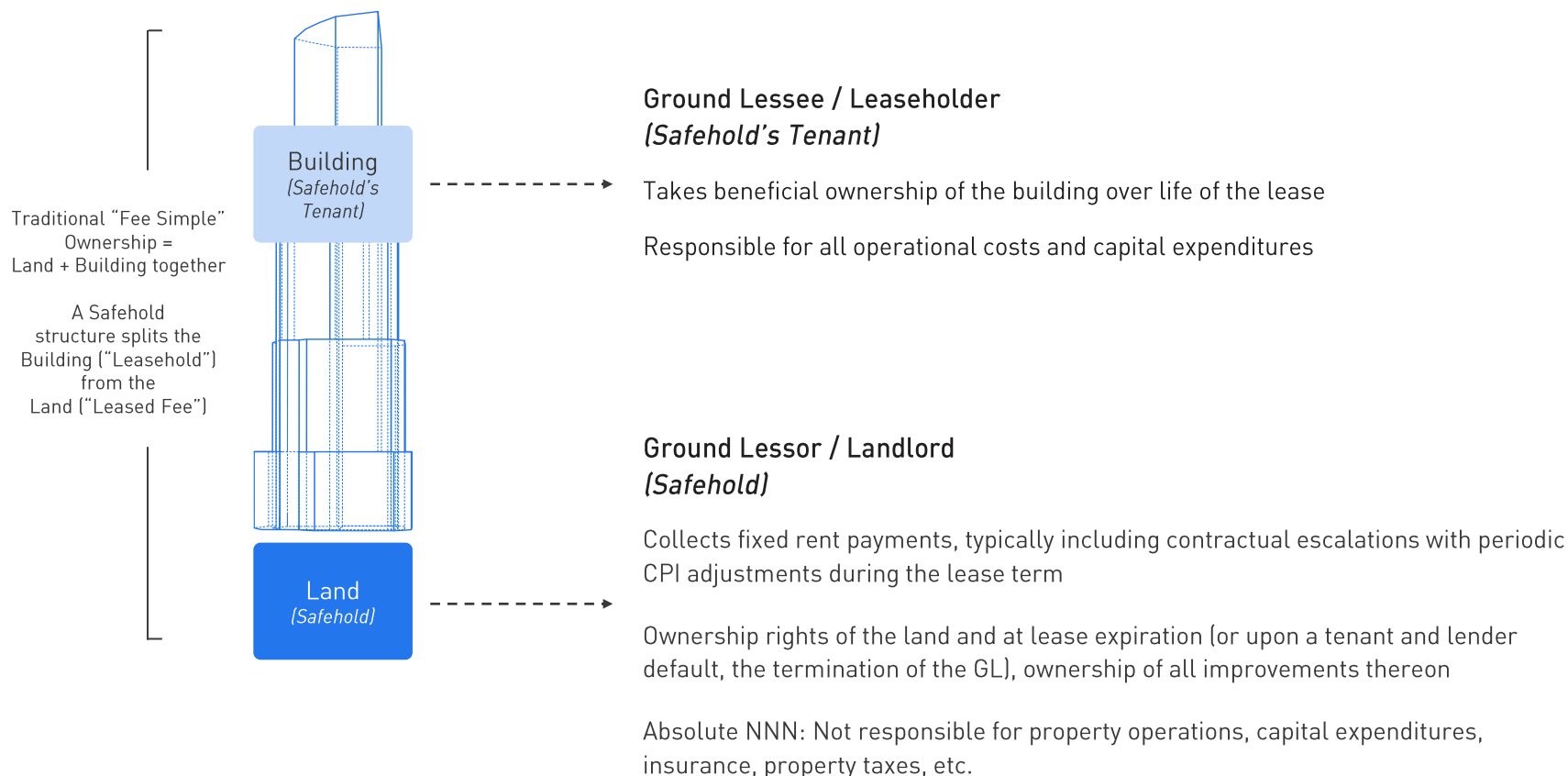


Ground Lease Purchase Price (\$m)	\$195
Current CBRE Property Value (\$m)	\$525
GLTV	40%
Inflation Adjusted Yield	6.2%
Term Remaining	95 years

# 03 New Investors: Introduction to Safehold and the Modern Ground Lease

# What is a Ground Lease

A Ground Lease (“GL”) represents **ownership of the land underlying a commercial real estate property**. The land is leased on a long-term basis by the landlord (Safehold) to a tenant that operates the property



## Typical Safehold Ground Lease Terms

Lease Term	99 Years
Contractual Escalators	Annual fixed bumps (typically 2.0%) with periodic CPI-based lookbacks
Property Expenses	No landlord (Safehold) obligations
Capital Expenditures	No landlord (Safehold) obligations
Tenant Repair and Maintenance	Tenant obligated to maintain the underlying asset
Remedies Upon Tenant Default	Leasehold mortgagee cure rights; otherwise, landlord (Safehold) entitled to terminate the lease, regain possession and take ownership of the improvements
Reversion Right at Lease Expiration	Possession / ownership of the land and improvements thereon revert to landlord (Safehold) for no consideration

Note: Reflects typical underwriting standards when reviewing potential investments. Actual terms may vary.

# The Modern Ground Lease

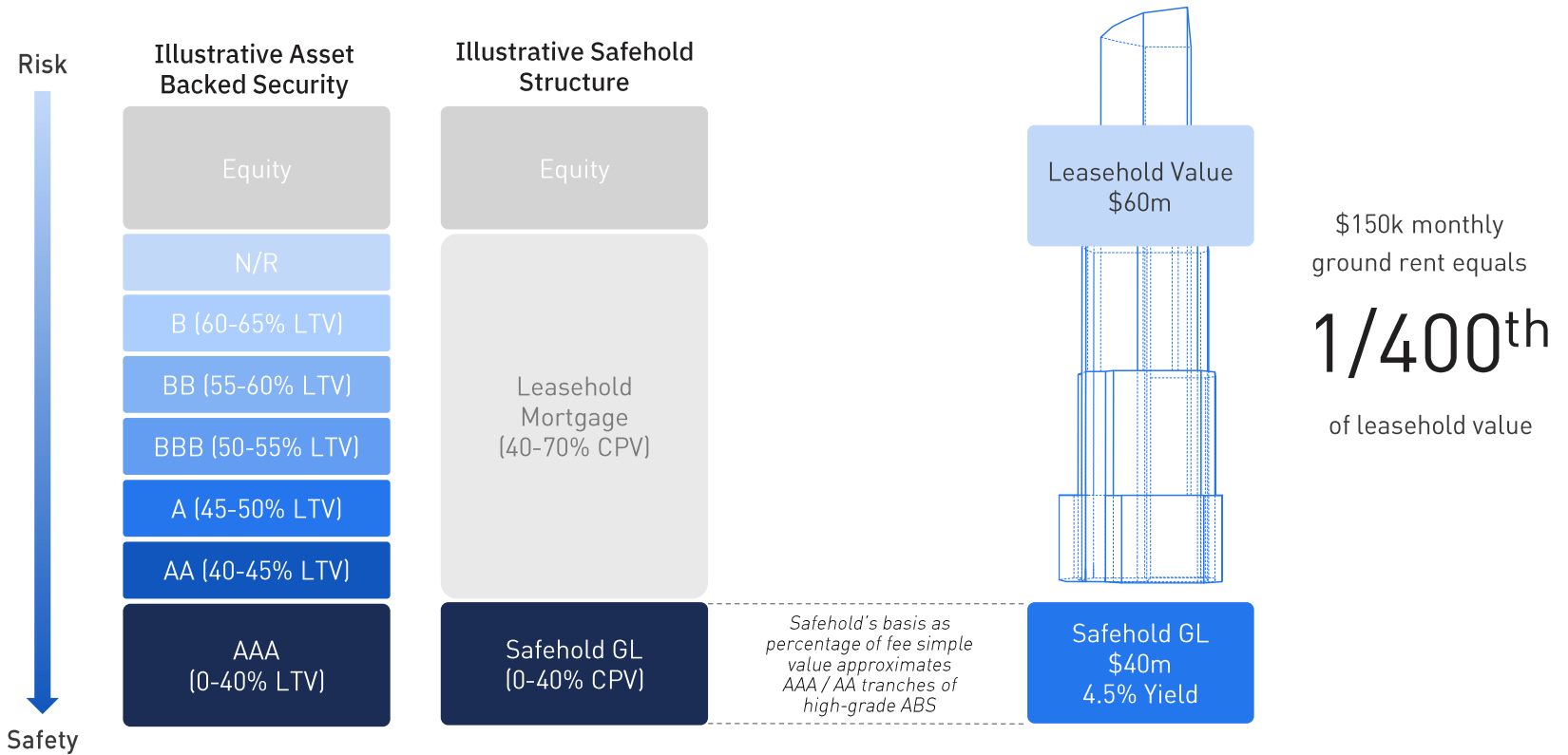
Safehold's form structure standardizes how ground leases should function in the capital markets by **removing value destroying features** found in archaic ground leases and creating a bond-like instrument with **growing, predictable cash flows** which benefits all parties

	Old Ground Lease	Safehold Ground Lease
Payments	✗ Unpredictable (FMV, % rent)	✓ Fixed, growing, predictable
Underwriting	✗ High GLTV, unknown coverage	✓ Low GLTV, high coverage
Reporting	✗ Irregular standards (if any)	✓ Quarterly certified financials
Insurance	✗ Opaque provisions	✓ CTL-like protections
Maintenance	✗ Vague language	✓ Clear building standards
Loan Friendly	✗ Precludes certain lenders	✓ Capital markets friendly

# Illustrative Principal and Income Safety

## Principal Safety

## Income Safety



Safehold's ground rent payment is **senior to and higher priority than** leasehold interest expense

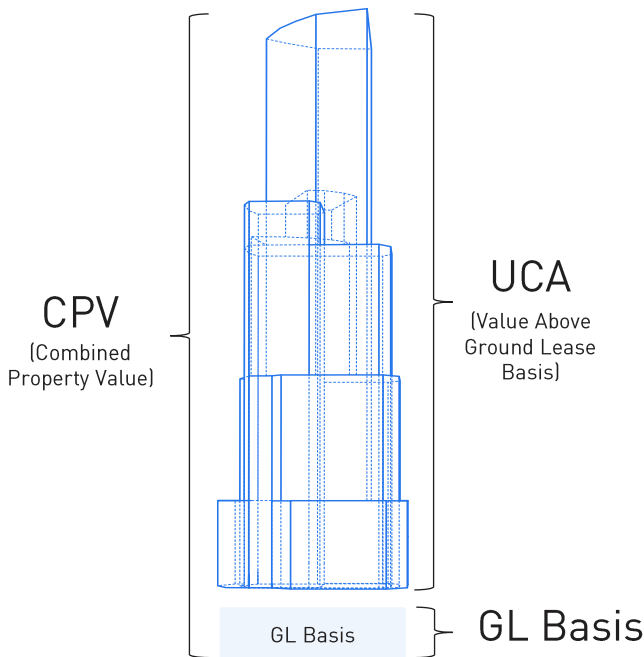
Motivated tenant to grow and protect value with an **additional layer of protection via a leasehold lender** that can step in and cure ground rent if necessary

# UCA Growth Increases Security

## What is UCA?

Unrealized Capital Appreciation (UCA) represents an estimate of today's value of the buildings on top of our land

Safehold typically is the future contractual owner of the property upon lease expiration or tenant default and the termination of the lease upon such default



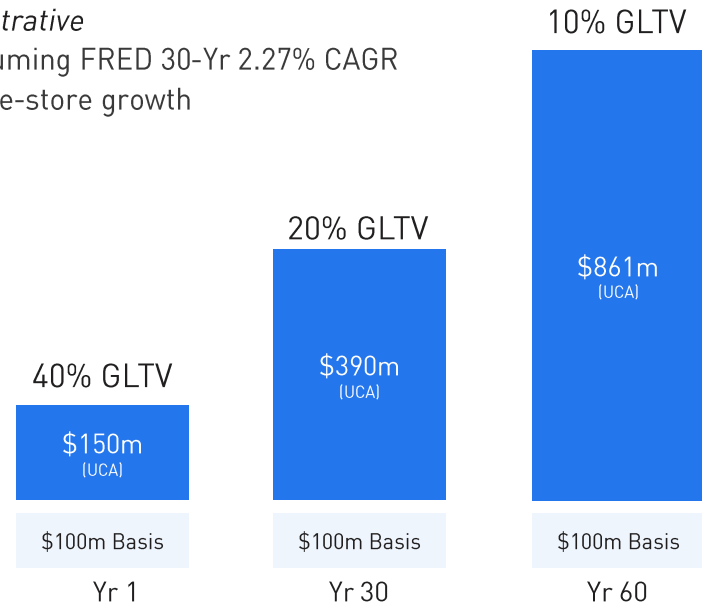
## What does UCA growth mean for Safehold?

As tenants invest capital and execute business plans related to buildings and other improvements on our ground leases, Safehold may benefit over time from that value creation

Growing CPV provides growing credit protection for Safehold and its creditors

Since 1997<sup>1</sup>, the Green Street Commercial Property Index (CPPI) has grown at a 4.0% CAGR

*Illustrative*  
Assuming FRED 30-Yr 2.27% CAGR  
same-store growth



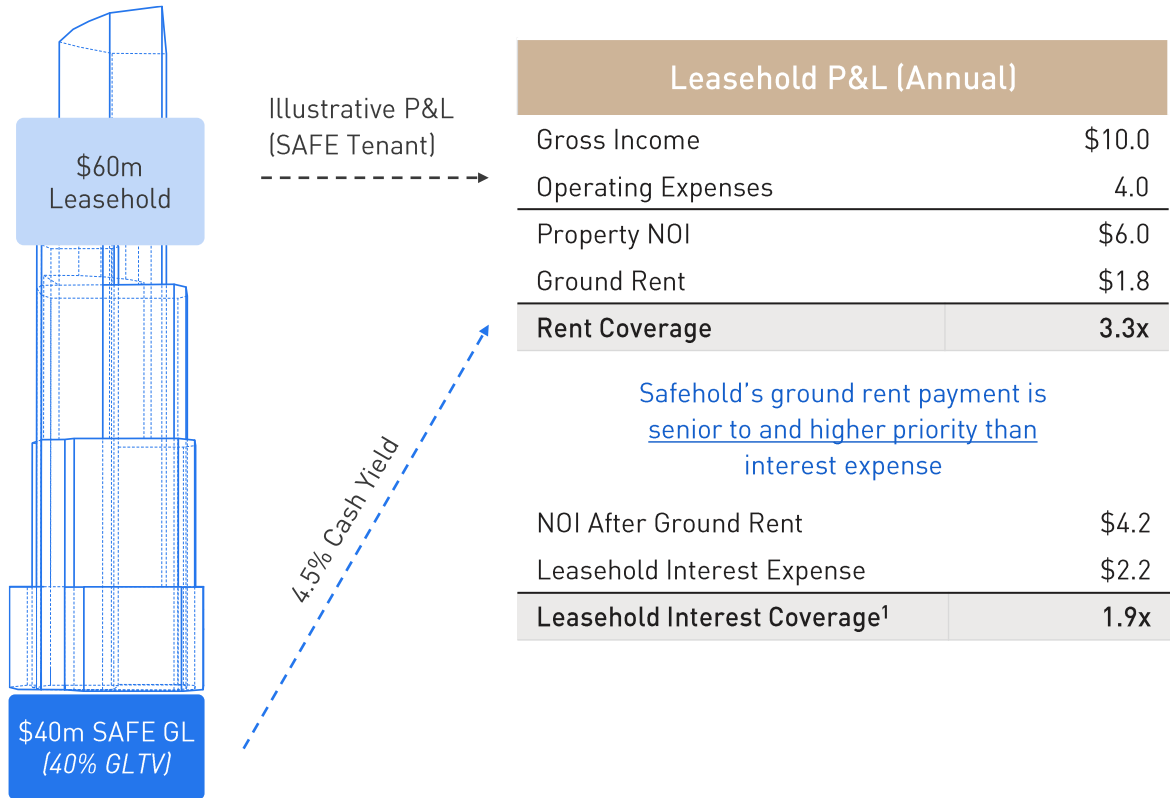
Note: Reflects illustrative UCA growth for a hypothetical \$100m ground lease with 40% going-in GLTV, assuming 2.27% inflation / building value increase per year. Illustrative analysis assumes current Federal Reserve Bank of St. Louis, 30-year Breakeven Inflation Rate, retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/T30YIEM>, August 10, 2023.

Please refer to the Note on Unrealized Capital Appreciation in the Appendix for additional information.

(1) Green Street Advisors CPPI data begins December 1997.

# Ground Rent Payment Seniority

Safehold is the most senior payment in a commercial property's capital stack, akin to taxes or utilities



Note: \$ in millions.

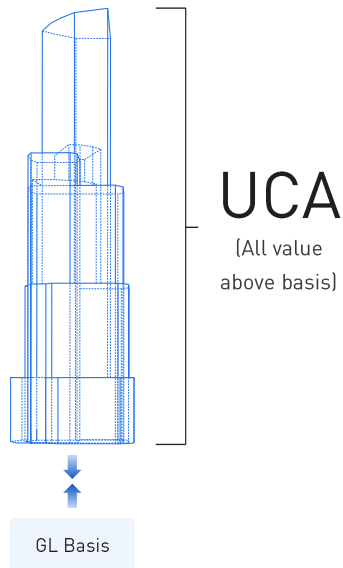
(1) Assumes ~\$36m leasehold first mortgage (60% LTV on \$60m leasehold value) at 5.75% interest rate.



# Unrealized Capital Appreciation (UCA)

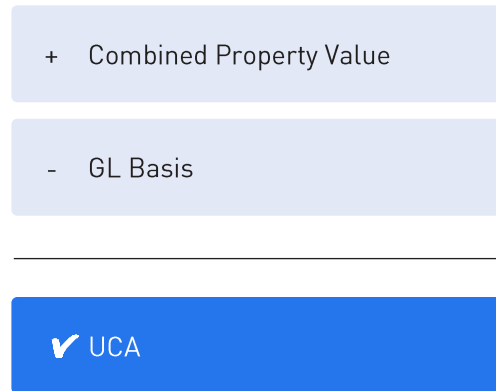
## Ownership

At the end of its typical ground lease, **SAFE will own everything on top of the land**



## Capital Appreciation Tracker

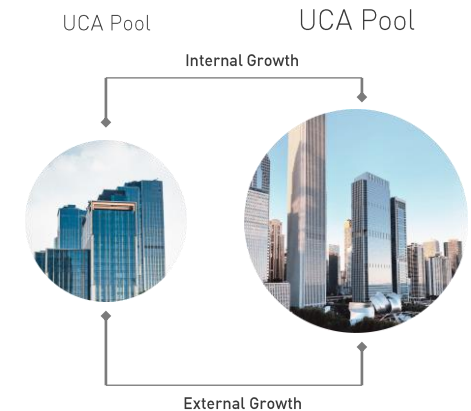
We track and report the current spot value of UCA, marked each quarter using current appraisals from CBRE



## Growth Dynamic

**“External Growth”** – each time a new Safehold ground lease is originated, more UCA is added to the pool of value that our stakeholders own

**“Internal Growth”** – appreciation of each individual building from the existing portfolio



Please refer to the “Unrealized Capital Appreciation Details” slide in the Appendix for additional information.

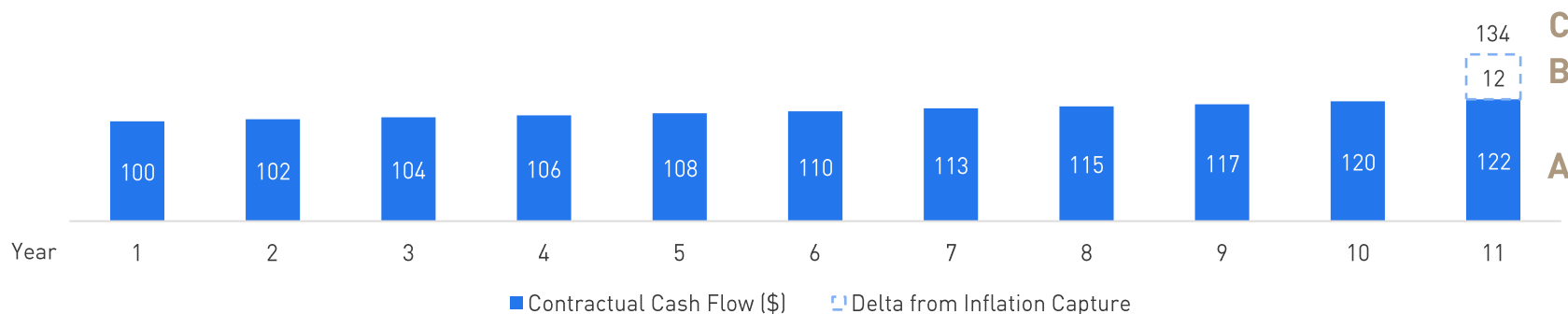
## CPI Lookback Mechanics

CPI Lookbacks<sup>1</sup> provide meaningful inflation capture that is better than comparable risk, long-term fixed-rate bonds we benchmark against, and continue periodically throughout the life of a lease

### Target Safehold Ground Lease

2.0% Rent Bumps per Annum | 10-Year CPI Lookbacks | 3.0% Inflation Scenario

- A** Safehold’s minimum contractual rent growth over a 10-year period is 21.9% (2.0% compounded)
- B** If CPI exceeds 2.0% on a compounded basis for that period, Safehold’s leases will have an adjustment to capture that increase, up to a defined cap (typically 3.0 – 3.5% compounded). Assuming 3.0% CPI over a 10-year period, Safehold’s rent growth would be 34.4% (3.0% compounded), an additional 12.5% gross rent change versus the contractual 21.9% floor
- C** Following this upward CPI adjustment, future contractual 2.0% increases are based off the higher CPI-adjusted rent figure, until the next 10-year period concludes, when the next CPI adjustment occurs



**~95% of the portfolio has some form of inflation protection and ~83% of Safehold’s portfolio has CPI lookbacks<sup>2</sup>**

(1) Safehold™ originated ground leases typically include a periodic rent increase based on prior years cumulative CPI growth with the initial lookback year generally starting between lease year 11 and 21. These CPI lookbacks are generally capped between 3.0% - 3.5% per annum compounded. In the event cumulative inflation growth for the lookback period exceeds the cap, the excess is not captured by the CPI lookback. Other forms of inflation protection include fair market value resets and percentage rent, typically for acquired ground leases.

(2) As determined by cash rent.

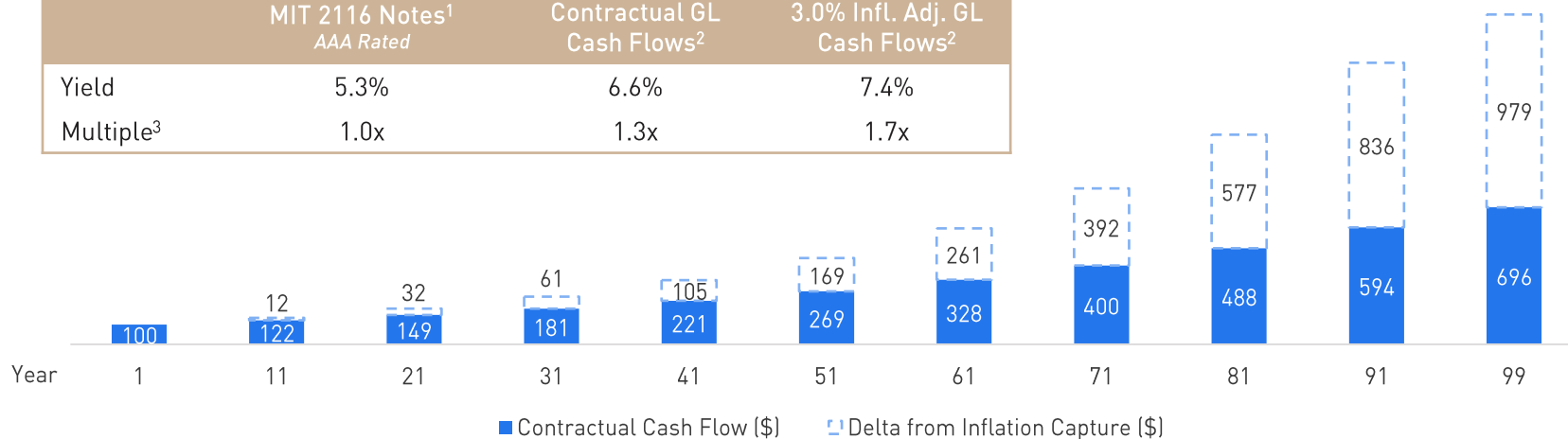
## Illustrative Growth – Contractual Cash Flow and Inflation Capture

Minimum contractual ground lease cash flows target ~100+ bps of spread vs. similar long-term, high grade fixed income securities. In addition, CPI lookbacks in our portfolio are designed to provide significant inflation capture, typically up to 3.0 - 3.5% on a compounded basis

### Target Safehold Ground Lease – Illustrative Returns and Compounding Effect

4.5% Initial Yield | 2.0% Rent Bumps per Annum | 10-Year CPI Lookbacks

	MIT 2116 Notes <sup>1</sup> AAA Rated	Illustrative Returns	
		Contractual GL Cash Flows <sup>2</sup>	3.0% Infl. Adj. GL Cash Flows <sup>2</sup>
Yield	5.3%	6.6%	7.4%
Multiple <sup>3</sup>	1.0x	1.3x	1.7x



Note: Safehold™ originated ground leases typically include a periodic rent increase based on prior years cumulative CPI growth with the initial lookback year generally starting between lease year 11 and 21. These CPI lookbacks are generally capped between 3.0% - 3.5% per annum compounded. In the event cumulative inflation growth for the lookback period exceeds the cap, the excess is not captured by the CPI lookback. Other forms of inflation protection include fair market value resets and percentage rent, typically for acquired ground leases.

(1) Illustrative example represents Massachusetts Institute of Technology unsecured notes due 2116 yield as of 8/10/23.

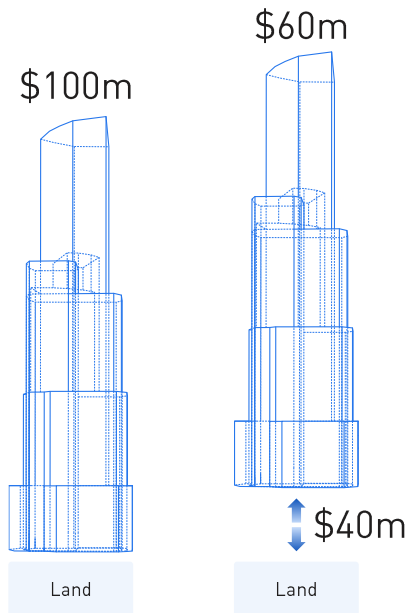
(2) Target yields and cash flow multiples that assume no default, full rent collections, no destruction and no casualty events.

(3) The net present value of the cash flows [discounted using the Massachusetts Institute of Technology 2116 unsecured AAA-rated bonds trading at a yield to maturity of 5.3% as of 8/10/23] of an illustrative portfolio of modern ground leases meeting our yield to maturity target divided by the initial investment in the portfolio of ground leases.

# A Better Capital Solution

Making ground leases *modern*, *efficient*, and *value-enhancing* for building owners

## Improved Capital Efficiency



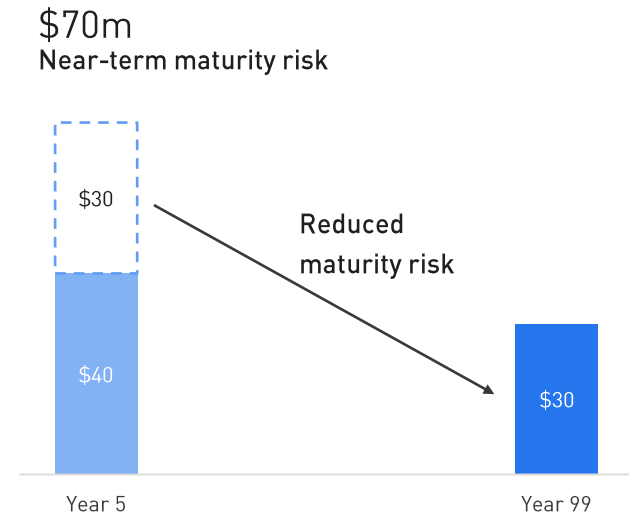
Buildings and land are different investments, most efficiently capitalized by different investors

## Improved Cost Efficiency

- ✗ Transfer Tax
- ✗ Mortgage Recording Tax
- ✗ Title Insurance
- ✗ Other Transaction Costs

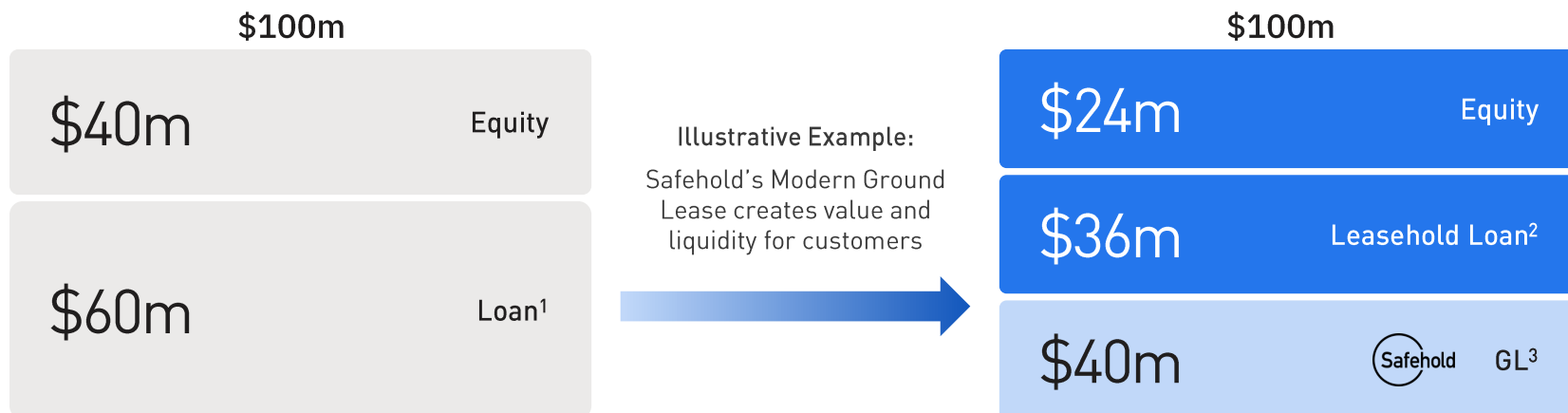
Reduces friction costs associated with selling real estate by giving 40% of capital a long-term structure of up to 99 years

## Significant Risk Reduction



Eliminates debt maturity risk on a large portion of capital structure by replacing it with a long-term lease of up to 99 years

# Efficient Capital Creates Better Returns for New Transactions



\$100m	Fee Simple Purchase Price	\$100m (-0%)
\$40m	Equity Required	\$24m (-40%)
5.8%	Unlevered Yield	6.6% (+14%)
5.8%	Cash-on-Cash Returns <sup>4</sup>	7.8% (+36%)
11.8%	IRR (10-Year Hold) <sup>4</sup>	16.2% (+38%)
2.5x	Equity Multiple (10-Year Hold) <sup>4</sup>	3.4x (+35%)
Higher	Refinancing Risk	Lower

Note: Hypothetical capitalization comparison between traditional mortgage capitalization versus a typical Safehold ground lease and leasehold loan capitalization. All figures are illustrative.

(1) Assumes 5.75% fixed interest rate, 10-year term, 60% LTV of property value.

(2) Assumes 5.75% fixed interest rate, 10-year term, 60% LTV of building value.

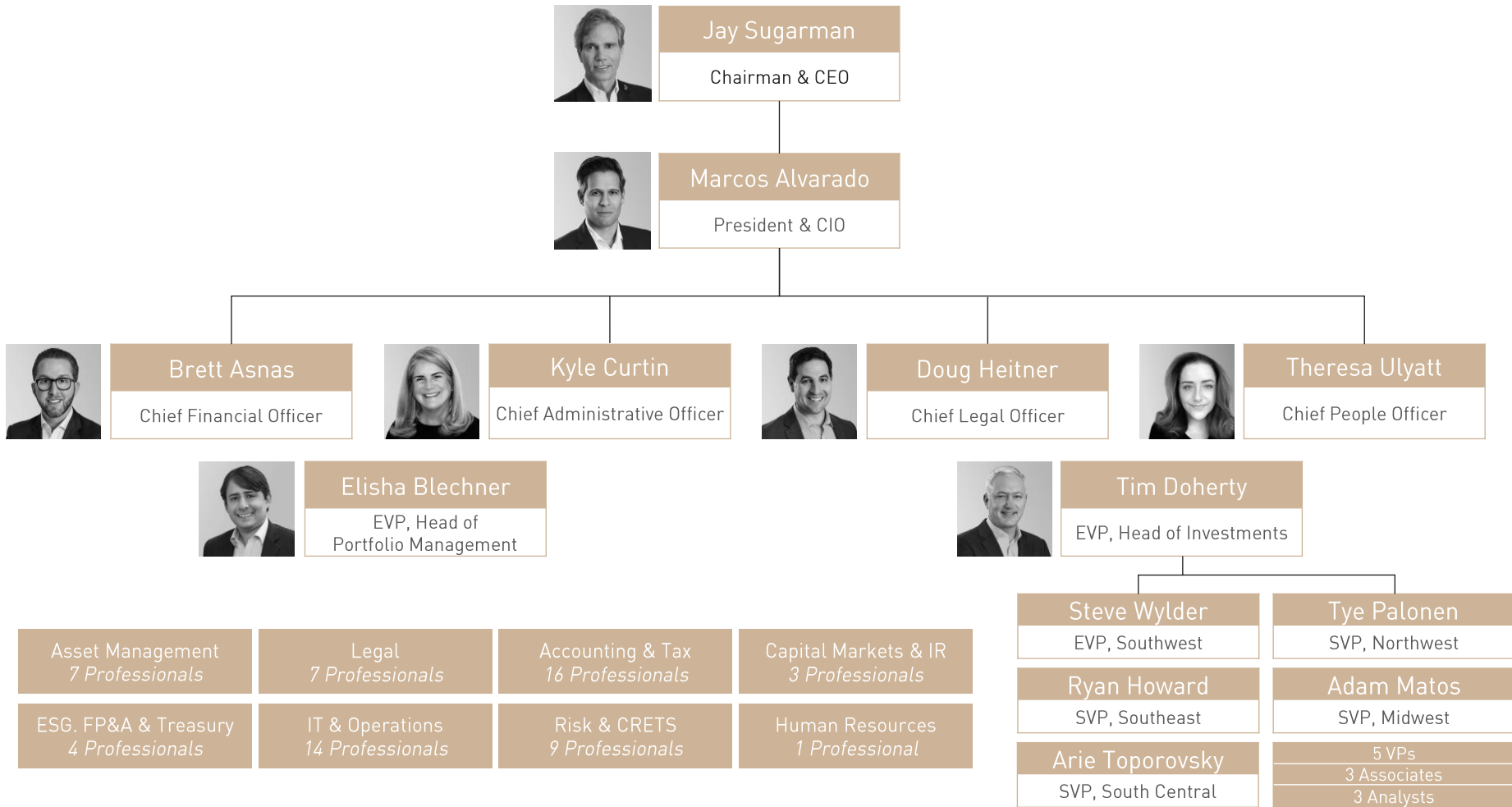
(3) Assumes 4.5% initial yield, 2.0% annual escalators, 99-year term, 40% GLTV of combined property value.

(4) Assumes 3.0% growth on going-in unlevered yield of 5.75%.

# 04 Management and Organization

# Organization Structure

Safehold benefits from its full-service platform (85 employees) and leadership team with decades of experience in all key functions



# Appendix



# Income Statement

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
<b>Revenues:</b>				
Interest income from sales-type leases	\$58,158	\$48,247	\$115,220	\$91,278
Operating lease income	16,750	16,452	37,651	33,418
Interest income - related party	2,381	-	2,381	-
Other income	8,372	185	8,738	551
<b>Total revenues</b>	<b>\$85,661</b>	<b>\$64,884</b>	<b>\$163,990</b>	<b>\$125,247</b>
<b>Costs and expenses:</b>				
Interest expense	\$46,055	\$30,266	\$86,929	\$55,586
Real estate expense	1,013	699	2,218	1,407
Depreciation and amortization	2,527	2,406	4,925	4,808
General and administrative	10,926	9,274	21,313	18,186
General and administrative - stock-based compensation	7,990	1,184	12,670	1,465
Provision for credit losses	47	-	2,289	-
Other expense	1,274	596	15,363	705
<b>Total costs and expenses</b>	<b>\$69,832</b>	<b>\$44,425</b>	<b>\$145,707</b>	<b>\$82,157</b>
<b>Income from operations before other items</b>	<b>\$15,829</b>	<b>\$20,459</b>	<b>\$18,283</b>	<b>\$43,090</b>
Earnings from equity method investments	6,807	2,252	9,069	4,528
<b>Net income before income taxes</b>	<b>\$22,636</b>	<b>\$22,711</b>	<b>\$27,352</b>	<b>\$47,618</b>
Income tax expense	[525]	-	[525]	-
<b>Net income (loss)</b>	<b>\$22,111</b>	<b>\$22,711</b>	<b>\$26,827</b>	<b>\$47,618</b>
Net (income) loss attributable to noncontrolling interests	19	[33]	[15]	[67]
<b>Net income attributable to Safehold Inc. common shareholders</b>	<b>\$22,130</b>	<b>\$22,678</b>	<b>\$26,812</b>	<b>\$47,551</b>
<b>Weighted avg. share count (basic)</b>	<b>63,944</b>	<b>63,252</b>	<b>63,809</b>	<b>61,279</b>
<b>Weighted avg. share count (diluted)</b>	<b>63,944</b>	<b>63,252</b>	<b>63,809</b>	<b>61,279</b>
<b>Earnings per share (basic &amp; diluted)</b>	<b>\$0.35</b>	<b>\$0.36</b>	<b>\$0.42</b>	<b>\$0.78</b>

Note: Figures in thousands except for per share amounts.

# Balance Sheet

	As of June 30, 2023	As of December 31, 2022
<b>Assets:</b>		
Net investment in sales-type leases	\$3,167,964	\$3,106,599
Ground Lease receivables	1,484,948	1,374,716
Real estate:		
Real estate, at cost	740,971	740,971
Less: accumulated depreciation	(37,385)	(34,371)
Real estate, net	703,586	706,600
Real estate-related intangible assets, net	214,446	217,795
Total real estate, net and real estate-related intangible assets, net	918,032	924,395
Loans receivable, net - related party	112,168	-
Equity investments	267,206	180,388
Goodwill	149,505	-
Cash and cash equivalents	14,281	20,066
Restricted cash	28,144	28,324
Deferred tax assets, net	6,228	-
Deferred operating lease income receivable	164,499	148,870
Deferred expenses and other assets, net	106,086	67,564
<b>Total assets</b>	<b>\$6,419,061</b>	<b>\$5,850,922</b>
<b>Liabilities:</b>		
Accounts payable, accrued expenses, and other liabilities	\$119,797	\$100,357
Real estate-related intangible liabilities, net	64,172	64,591
Debt obligations, net	3,982,339	3,521,359
<b>Total liabilities</b>	<b>\$4,166,308</b>	<b>\$3,686,307</b>
Redeemable noncontrolling interests	\$19,011	\$19,011
<b>Equity:</b>		
Safehold Inc. shareholders' equity:		
Common stock	\$639	\$624
Additional paid-in capital	2,034,678	1,986,417
Retained earnings	154,826	151,226
Accumulated other comprehensive income (loss)	9,119	3,281
<b>Total Safehold Inc. shareholders' equity</b>	<b>\$2,199,262</b>	<b>\$2,141,548</b>
Noncontrolling interests	\$34,480	\$4,056
<b>Total equity</b>	<b>\$2,233,742</b>	<b>\$2,145,604</b>
<b>Total liabilities, redeemable noncontrolling interests and equity</b>	<b>\$6,419,061</b>	<b>\$5,850,922</b>

Note: Figures in thousands.

## Portfolio Reconciliation

	IPO (6/22/17)	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23
<b>Net investment in Sales-Type Leases</b>	-	\$160	\$1,045	\$1,432	\$2,912	\$3,168
<b>Ground Lease receivables</b>	-	-	\$477	\$680	\$1,236	\$1,485
<b>Pro-rata interest in Ground Leases held as equity method investments</b>	-	-	\$343	\$438	\$443	\$472
<b>Real estate, net (Operating Leases)</b>	<b>\$265</b>	<b>\$663</b>	<b>\$688</b>	<b>\$727</b>	<b>\$710</b>	<b>\$704</b>
Add: Accumulated depreciation	1	13	19	25	31	37
Add: Lease intangible assets, net	123	235	241	240	223	214
Add: Accumulated amortization	1	12	19	26	33	39
Add: Other assets	-	25	24	23	22	21
Add: CECL allowance	-	-	-	-	-	1
Less: Lease intangible liabilities, net	(51)	(58)	(57)	(66)	(65)	(64)
Less: Noncontrolling interest	-	(2)	(2)	(2)	(2)	(9)
<b>Gross Book Value</b>	<b>\$339</b>	<b>\$1,050</b>	<b>\$2,798</b>	<b>\$3,524</b>	<b>\$5,542</b>	<b>\$6,068</b>
Add: Forward Commitments	-	83	72	105	316	272
<b>Aggregate Gross Book Value</b>	<b>\$339</b>	<b>\$1,133</b>	<b>\$2,870</b>	<b>\$3,629</b>	<b>\$5,858</b>	<b>\$6,340</b>
Less: Accruals to net investment in leases and ground lease receivables	-	(1)	(24)	(64)	(137)	(220)
Less: Future acquisition commitment	-	-	-	(83)	-	-
<b>Aggregate Cost Basis</b>	<b>\$339</b>	<b>\$1,132</b>	<b>\$2,846</b>	<b>\$3,483</b>	<b>\$5,722</b>	<b>\$6,121</b>
Less: Forward Commitments	-	(83)	(72)	(23)	(316)	(272)
<b>Cost Basis</b>	<b>\$339</b>	<b>\$1,049</b>	<b>\$2,774</b>	<b>\$3,460</b>	<b>\$5,405</b>	<b>\$5,849</b>

Note: Figures in thousands. Does not include Star Holdings Loan, GL Plus Fund and Leasehold Loan Fund.

# Earnings Reconciliation

	For the 12 months ended June 30, 2023	For the year ended December 31, 2020	YoY
<b>Net income attributable to Safehold Inc. common shareholders</b>	<b>\$114,684</b>	<b>\$59,294</b>	<b>93%</b>
Less: Gain on sale of Net Investment in Lease <sup>1</sup>	(55,811)	-	
Add: Merger & Caret related costs and non-recurring gains <sup>2</sup>	31,340	-	
<b>Net income excluding merger &amp; Caret related costs and non-recurring gains for the period</b>	<b>\$90,214</b>	<b>\$59,294</b>	<b>52%</b>
Impact attributable to noncontrolling interests <sup>1</sup>	\$9,125	-	
<b>Net income attributable to Safehold Inc. common shareholders excluding merger &amp; Caret related costs and non-recurring gains for the period</b>	<b>\$99,339</b>	<b>\$59,294</b>	<b>68%</b>

Note: Figures in millions. Net income attributable to Safehold Inc. common shareholders excluding merger & Caret related costs and non-recurring gains is a non-GAAP measure used as a supplemental performance measure to give management and investors a view of net income more directly derived from operating activities in the period in which they occur. Net income attributable to Safehold Inc. common shareholders excluding merger & Caret related costs and non-recurring gains is calculated as net income (loss) attributable to common shareholders, prior to the effect of non-recurring gains, and charges related to the merger, administration of Caret, and origination of the Secured Term Loan to SAFE, all as adjusted to exclude corresponding amounts allocable to noncontrolling interests. It should be examined in conjunction with net income (loss) attributable to common shareholders as shown in our consolidated statements of operations. It should not be considered as an alternative to net income (loss) attributable to common shareholders (determined in accordance with generally accepted accounting principles in the United States of America ("GAAP")). This measure may differ from similarly-titled measures used by other companies.

(1) Non-recurring gains were \$46.7m net of noncontrolling interest in Q3'22 and Q4'22. FY'20 does not have such non-recurring gains.

(2) Merger and Caret related costs were \$0.4m in Q2'23, \$21.6m in Q1'23, \$3.2m in Q4'22 and \$6.0m in Q3'22. FY'20 does not have such costs.

## Unrealized Capital Appreciation Details

Refer to the Glossary in the Appendix for a definition of Owned Residual Portfolio, Unrealized Capital Appreciation (“UCA”), and “Combined Property Value” (“CPV”). SAFE relies in part on CBRE’s valuations of the CPV of our portfolio in calculating UCA. SAFE may utilize management’s estimate of CPV for ground lease investments recently acquired that CBRE has not yet evaluated. For construction deals, CPV represents the cost to build inclusive of the land. CPV is a hypothetical value of the as-improved subject property, based on an assumed ownership structure different from the actual ownership structure. CPV does not take into account the in-place Ground Lease or other contractual obligations and is based on the hypothetical condition that the property is leased at market rent at stabilized levels, where applicable, as of the valuation date, without consideration of any costs to achieve stabilization through lease up and associated costs. In determining the CPV of each property, CBRE has utilized the sales comparison approach, based on sales of comparable properties, adjusted for differences, and the income capitalization approach, based on the subject property’s income-producing capabilities. The assumptions applied to determine values for these purposes vary by property type and are selected for use based on a number of factors, including information supplied by our tenants, market data and other factors. We currently intend that the CPV associated with each Ground Lease in our portfolio will be valued approximately every 12 calendar months and no less frequently than every 24 months.

The calculation of the estimated UCA in our Owned Residual Portfolio is subject to a number of limitations and qualifications. We do not typically receive full financial statements prepared in accordance with U.S. GAAP for the commercial properties being operated on the land subject to our Ground Leases. In some cases, we are prohibited by confidentiality provisions in our Ground Leases from disclosing information that we receive from our tenants to CBRE. Additionally, we do not independently investigate or verify the information supplied by our tenants, but rather assume the accuracy and completeness of such information and the appropriateness of the accounting methodology or principles, assumptions, estimates and judgments made by our tenants in providing the information to us. Our calculation of UCA in our Owned Residual Portfolio is not subject to U.S. GAAP and will not be subject to independent audit. We conduct rolling property valuations; therefore, our estimated UCA and CPV may not reflect current market conditions and may decline materially in the future. There can be no assurance that we will realize any incremental value from the UCA in our Owned Residual Portfolio or that the market price of our common stock will reflect any value attributable thereto. We will generally not be able to realize value from UCA through near term transactions, as properties are leased to tenants pursuant to long-term leases. For more information on UCA, including additional limitations and qualifications, please refer to our Current Report on Form 8-K filed with the SEC on August 1, 2023 and “Risk Factors” filed as Exhibit 99.3 to our Current Report on Form 8-K, filed with the SEC on April 4, 2023, as updated from time to time in our subsequent periodic reports, filed with the SEC.

Certain interests in our subsidiary Safehold GL Holdings LLC (“Portfolio Holdings”) are structured to track and capture UCA to the extent UCA is realized upon sale of our land and Ground Leases or certain other specified events. Under a shareholder-approved plan, management was granted up to 15% of the total authorized Caret units, 1,499,432 of which are currently outstanding and some of which remains subject to time-based vesting. See our Current Report on Form 8-K, filed with the SEC on April 4, 2023, for additional information on the long-term incentive plan.

Additionally, we have sold an aggregate of 231,071 Caret units to third-party investors, including affiliates of MSD Partners, L.P. and received a commitment for the sale of 28,571 Caret units from an entity affiliated with one of our independent directors. As of June 30, 2023, we own approximately 82.2% of the outstanding Caret units. In connection with the sale of 137,142 Caret units in February 2022 (including the 28,571 which have not yet been closed upon), we agreed to use commercially reasonable efforts to provide public market liquidity for such units, or securities into which they may be exchanged, prior to the second anniversary of such sales. In the event market liquidity for such Caret units is not achieved within such period at a valuation not less than the purchase price for the Caret units purchased in February 2022, reduced by an amount equal to the amount of subsequent cash distributions made to investors on account of such Caret units, then the investors in the February 2022 transaction have the right to cause their Caret units purchased in February 2022 to be redeemed by Portfolio Holdings at such purchase price as so reduced.

# Glossary

<b>Aggregate Cost Basis</b>	Represents Cost Basis plus unfunded commitments. For unfunded commitments, it represents the aggregate future amount to be paid under the commitments.
<b>Aggregate Gross Book Value</b>	Represents the Current Portfolio plus unfunded commitments. For unfunded commitments, it represents the aggregate future amount to be paid under the commitments.
<b>Annualized Cash Yield</b>	Calculated as the annualized base Cash Rent plus Percentage Rent divided by Cost Basis.
<b>Annualized Yield</b>	Calculated as the annualized base Net Rent plus Percentage Rent divided by GBV.
<b>Caret Adjusted Yield</b>	Represents Safehold's 82% ownership of Caret at its \$2.0 billion Series B valuation as of August 2022 on \$10.5 billion UCA netted against the initial cash outflow of the Inflation Adjusted Yield.
<b>Cash Interest Rate</b>	The current cash interest rate of debt.
<b>Cash Rent</b>	Represents base ground lease income recognized excluding straight-line rent, amortization of lease intangibles, and non-cash income from sales-type leases.
<b>Core Ground Lease Portfolio</b>	Represents the portfolio of assets owned at the date indicated and our proportionate share of two unconsolidated joint venture assets, as well as one ground lease asset in the GL Plus Fund that has moved out of the pre-development stage and, as a result, Safehold is obligated to purchase when all conditions are satisfied (such conditions may or not be satisfied), and excludes the Star Holdings Loan, Leasehold Loan Fund and the remainder of the GL Plus Fund.
<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. For construction projects, CPV represents the total cost associated with the acquisition, development, and construction of the project.
<b>Cost Basis</b>	Represents the historical purchase price of an asset, including capitalized acquisition costs.
<b>Current Portfolio</b>	Represents the portfolio of assets owned at the date indicated, measured using Gross Book Value. Does not include unfunded commitments
<b>Economic Yield</b>	Computed similarly to effective yield on a bond, the Economic Yield is calculated using projected cash flows beginning 7/1/2023 for the duration of the lease, with an initial cash outflow and a residual value equal to our cost of the land. The cash flows incorporate contractual fixed escalators and the impact of an assumed inflation scenario on variable rate escalators such as (i) CPI adjustments and CPI lookbacks, (ii) percentage of revenues the building generates and/or (iii) periodic fair market valuations of the land. For CPI adjustments and CPI lookbacks, this metric uses the Federal reserve long-term 2.0% CPI target for the duration of the leases. For ground leases that have other forms of inflation capture including fair market value resets and percentage rent based on building revenue, this metric assumes fair market value and building revenue increase by the Federal Reserve long-term 2.0% CPI target annually. Target yields and cash flow multiples assume no default, full rent collections, no destruction and no casualty events.
<b>Effective Interest Rate</b>	Represents the all-in stated interest rate over the term of debt from funding through maturity based on the contractual payments owed excluding the effect of debt premium, discount and deferred financing costs.
<b>GAAP Rent</b>	Current period revenue from operating and sales-type leases recognized under GAAP.
<b>Gross Book Value (GBV)</b>	Represents Cost Basis 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>Inflation Adjusted Yield</b>	For CPI adjustments and CPI lookbacks, Inflation Adjusted Yield is based on Economic Yield under the assumed inflation scenario for the duration of the leases. For ground leases that have other forms of inflation capture including fair market value resets and percentage rent based on building revenue, Inflation Adjusted Yield is based on Economic Yield and assumes fair market value and building revenue increase by the assumed inflation scenario annually.
<b>Net Rent</b>	GAAP Rent less depreciation & amortization. This includes the amortization of a right of use asset recorded as real estate expense (totals \$1.0m annualized). Includes our proportionate share of GAAP rent and amortization from our equity method investments.
<b>Owned Residual Portfolio</b>	Represents the portfolio of properties under which Safehold owns a ground lease and reflects Safehold's right to the land, 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 cash percentage rent paid by the property.
<b>Property NOI</b>	Represents the net operating income (NOI) of the building/Safehold's ground lease tenant prior to paying ground lease rent.
<b>Rent Coverage</b>	The ratio of Property NOI as provided by the building owner or estimated Property NOI to the annualized Cash Rent due to Safehold. The Company adjusts Property NOI for material non-recurring items and 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>Unrealized Capital Appreciation (UCA)</b>	Calculated as the difference between CPV and the portfolio's Aggregate Cost Basis. The Company tracks UCA because we believe it provides relevant information with regard to the three key investment characteristics of our ground leases: (1) the safety of our position in a tenant's capital structure; (2) the quality of the long-term cash flows generated by our portfolio rent that increases over time; and (3) increases and decreases in CPV of the portfolio that will ultimately revert to us.