



Safehold

Fixed Income Update

Q4'24

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

Q4'24 activity:

- **Issued \$400m 10-year unsecured notes, using net proceeds to repay revolver borrowings**
- **Fitch upgrade to A- (Stable Outlook); SAFE's second 'A' rating along with Moody's A3 (Stable Outlook)**
- **S&P initial rating of BBB+ (Positive Outlook)**

01 Market Leader with Platform Built for Scale and Credit Momentum Materializing

- All key functions in-house with 74-employees and continuity of management team that built the business
- A3 / A- ratings upgrade achieved at Moody's / Fitch; Positive Outlook at S&P (BBB+)

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 Long-Dated Capital Structure with Growing Unencumbered Asset Pool and Unsecured Debt Mix

- Long-term, laddered debt profile with no near-term maturities
- 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

Unencumbered Asset Diversification

Safehold has built a diversified unencumbered base emphasizing institutional multifamily in top markets

Unencumbered Asset Stats

GBV ⁴	\$4.0 billion
Count	107 assets
Top 10 GBV	32%
Est. UCA	\$6.1 billion
Rent Coverage ²	3.7x
GLTV ³	46%
Unique Sponsors	72
Unique LH Lenders	40

Top 5 UA Gateway Markets (% of GBV, Count, Rent Coverage², GLTV³)

1. Boston (13%) – 3 Assets (3.2x, 49%)
2. New York (12%)¹ – 11 Assets (3.5x, 44%)
3. Washington D.C. (10%) – 10 Assets (4.0x, 55%)
4. Los Angeles (7%) – 7 Assets (3.6x, 47%)
5. San Francisco (7%) – 6 Assets (3.5x, 57%)

Top 5 UA Growth Markets (% of GBV, Count, Rent Coverage², GLTV³)

1. Denver (7%) – 6 Assets (3.2x, 59%)
2. Nashville (5%) – 4 Assets (3.1x, 41%)
3. Miami (5%) – 4 Assets (3.7x, 41%)
4. Dallas (3%) – 7 Assets (3.6x, 37%)
5. San Jose (3%) – 5 Assets (3.1x, 35%)

	Portfolio by Count							GBV %	Rent Coverage ²	GLTV ³
	Northeast	West	Mid Atlantic	Southeast	Southwest	Central	Total			
Multifamily	8	27	7	19	9	2	72	57%	3.5x	39%
Office	4	7	6	1	3	0	21	23%	3.7x	68%
Hotel	2	2	1	1	1	0	7	6%	5.5x	37%
Mixed Use & Other	1	1	0	0	0	0	2	4%	3.2x	47%
Life Science	1	2	2	0	0	0	5	10%	4.7x	42%
Total	16	39	16	21	13	2	107	100%	3.7x	46%

Note: Refer to Appendix for Glossary and Endnotes.

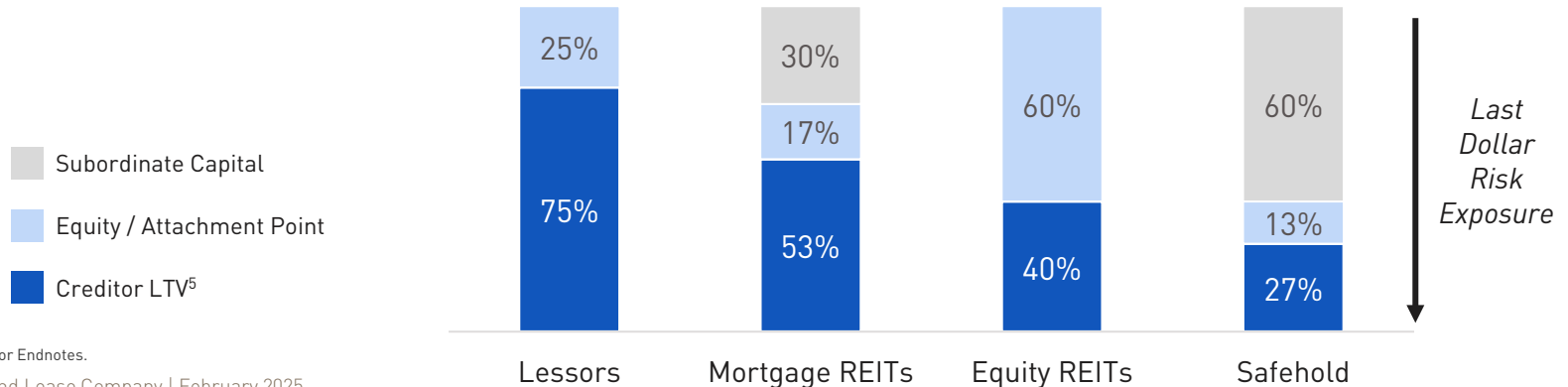
Liability Risk Comparison

Safehold and its creditors sit at a significantly lower attachment point in a property's capital structure than typical Lessors and Mortgage & Equity REITs, benefiting from higher levels of subordinate capital

Highest-to-lowest creditor look-through LTV →

Illustrative Risk Comparison		Lessors	Mortgage REITs	Equity REITs	Safehold
	Asset Attachment Point	100% <i>Equity Risk</i>	70% <i>Higher LTV Loan</i>	100% <i>Equity Risk</i>	40% <i>Fixed Income Risk</i>
<i>Multiplied by:</i>	Corporate Leverage	75%	75%	40%	66%
<i>Equals:</i>	Creditor Look-through LTV⁵	75%	53%	40%	27%

Safehold creditors benefit from low ground lease attachment point relative to higher LTV loans or equity investments



Note: Refer to Appendix for Endnotes.

Capital Structure

\$4.6b

Total Debt⁶

19.2 Years

W.A. Maturity^{6,7}

3.8% / 4.2%

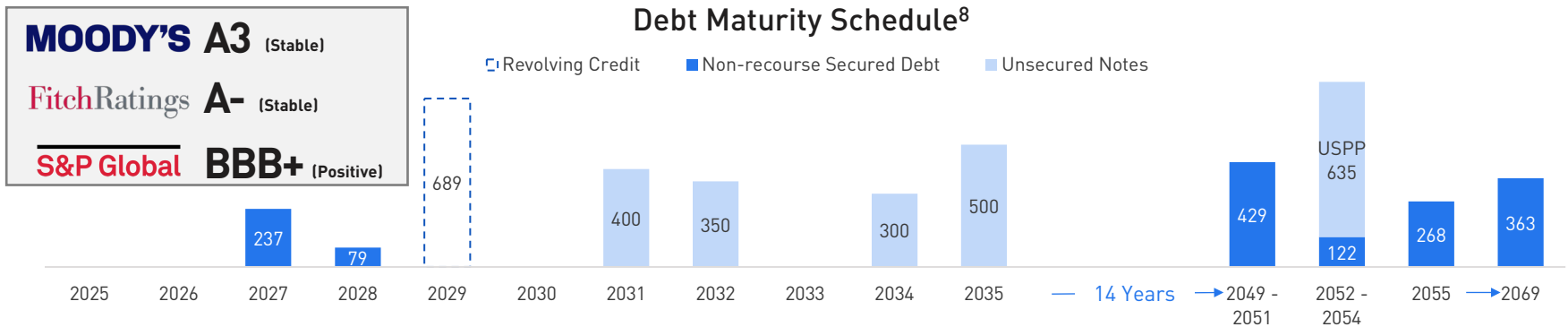
Current Cash /
Effective Cost of Debt^{6,7}

2.0x

Corporate
Leverage⁶

\$1.3b

Liquidity^a



No near-term maturities

49% of permanent debt (2049 and beyond) has a 31-year w.a. maturity with a 4.1% effective interest rate

Significant in-place liability value

\$4.0b of permanent debt⁶ (98% fixed rate) locked in for decades at 4.2% effective interest rate;

Includes \$1.6b of stepped rate interest structures on both unsecured and secured permanent debt that benefits cash-on-cash returns

In-the-money hedges


\$689m floating rate revolver borrowings protected by \$500m swap to fix SOFR at ~3.0% through April 2028 (saves ~\$2m/qtr); Future long-term debt raises protected by \$250m treasury locks outstanding (~\$27m in-the-money); SAFE realized \$43m of hedge gains in 2024

Note: \$ in millions; As of 12/31/2024; Refer to Appendix for Glossary and Endnotes

a. Based on cash and cash equivalents plus revolving credit facility availability.

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 ¹⁰	Multifamily ¹¹	Data Center ¹²	Cell Tower ¹³
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 ⁹	+140	+90	+80	+80	+95
<i>Takeaway</i>	<i>SAFE's 10-year listed spreads present attractive relative value vs. other sectors</i>				
30-Year Credit Spread ⁹	+TBD	+100	+90	+100	+100
<i>Takeaway</i>	<i>We believe ground leases compare favorably versus other asset classes in supporting long-term debt due to their contractual, call protected, compounding cash flows and periodic inflation lookbacks</i>				

Note: Refer to Appendix for Endnotes.

Safehold's Credit Profile Has Transformed

Safehold's credit profile has meaningfully evolved since our initial rating. We believe this improvement is due to the credit quality and performance of the portfolio, significant shift in our debt capital mix, diverse capital access, financial flexibility and management internalization

Over the last 18 months, Safehold further expanded its capital access through the formation of a \$500m joint venture with a leading sovereign wealth fund^a, a \$152m equity offering, \$700m of public unsecured notes, a new \$2.0b revolving credit facility, \$750m commercial paper program and upgrade to 'A' credit ratings by multiple agencies

Initial Rating (Q4'20)

Today (Q4'24)

<i>Track Record</i>	✗ 3.5 Years, Limited Cycles	✓ 7+ Years, Covid + Inflation Shock
<i>Portfolio Size</i>	✗ \$3.2b, 74 ground leases	✓ \$6.7b, 147 ground leases
<i>Earnings</i>	✗ \$155m Revenue / \$59m Net Income	✓ \$366m Revenue / \$112m Net Income
<i>Unencumbered Asset Base</i>	✗ \$0.8b, 34 ground leases, 27 tenants, 16 LH lenders, 19 markets, 4.0x rent coverage ² , 38% GLTV ³	✓ \$4.0b, 107 ground leases, 72 tenants, 40 LH lenders, 34 markets, 3.7x rent coverage ² , 46% GLTV ³
<i>Management</i>	✗ Externally managed, shared mgmt.	✓ Internalized
<i>Governance</i>	✗ 3 of 5 independent directors, board overlap, related party conflicts with STAR, 65% controlling shareholder	✓ 5 of 6 independent directors, more board members, wider distribution of share ownership and voting rights
<i>Cost Structure</i>	✗ External management fee with uncapped increases in perpetuity	✓ Flat cost structure that is trending meaningfully below projections
<i>IP</i>	✗ Not owned by SAFE	✓ Owned by SAFE, all capabilities in-house
<i>Liquidity</i>	✗ \$558m RCF size, \$266m liquidity	✓ \$2.0b RCF size, \$1.3b liquidity
<i>Capital Access</i>	✗ No significant partnerships, no unsecured market access	✓ MSD Partners investment, public & private unsecured access (30-year debt)
<i>Debt Profile</i>	✗ 100% secured	✓ 66% unsecured
<i>Leverage</i>	✓ Operating below 2.0x debt to equity	✓ Operating at or below 2.0x debt to equity
<i>Strategy</i>	✓ Appropriately sized and structured GLs in Top 30 MSAs	✓ Appropriately sized and structured GLs in Top 30 MSAs
<i>Ratings (M/F/S)</i>	✓ Baa1 (Stable) / BBB+ (Stable) / NR	✓ A3 (Stable) / A- (Stable) / BBB+ (Positive)

Note: Refer to Appendix for Glossary and Endnotes.

a. Original Safehold commitment of \$275m and partner commitment of \$225m. Each party's commitment is discretionary. In Q3'24, SAFE purchased its JV partner's ownership interest in the 9 ground leases acquired by the venture to date. The venture remains in place.

02 Safehold Overview

Company Snapshot as of Q4'24

Portfolio

\$6.8b	Aggregate GBV	92 Years	W.A. Extended Lease Term
147	Ground Leases		
\$9.1b	Est. Unrealized Capital Appreciation ("UCA")	3.7%	Annualized Cash Yield
49%	Ground Lease to Value ("GLTV") ³	5.3%	Annualized Yield ¹⁴ (GAAP – 0% Inflation)
3.5x	Rent Coverage ²	5.8%	Economic Yield ¹⁵ (2.0% Inflation)
Top 30 MSAs	Diversified & Location Centric	6.0%	Inflation Adjusted Yield ¹⁵ (2.35% Inflation) ¹⁶

Balance Sheet

A3 (Stable)	Moody's	\$4.3b	Unencumbered Assets
A- (Stable)	Fitch	1.5x	Unencumbered Assets to Unsecured Debt
BBB+ (Positive)	S&P		
\$1.3b	Liquidity ¹⁷	No Maturities	Until 2027
19.2 Years	W.A. Debt Maturity ¹⁸	3.8%	Debt Cash Interest Rate ¹⁸
2.0x	Corporate Leverage ¹⁹ (Debt / Book Equity)	4.2%	Debt Effective Interest Rate ¹⁸

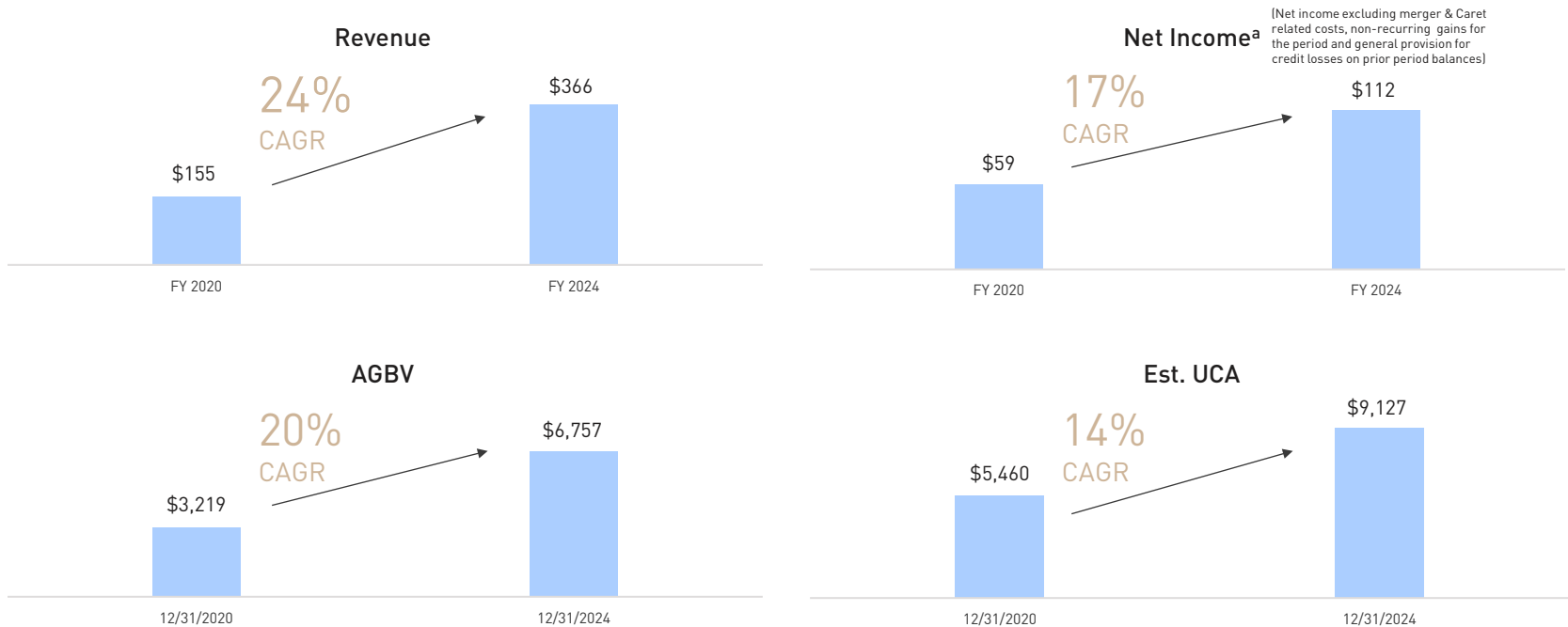
Note: All figures as of 12/31/24 unless otherwise noted. Refer to Appendix for Unrealized Capital Appreciation Details, Glossary and Endnotes.

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. Refer to Appendix for Unrealized Capital Appreciation Details, Glossary, Reconciliation and Endnotes.

a. Includes general provision for credit losses on prior period balances of \$6.6m on consolidated assets and \$0.2m on unconsolidated assets in FY 2024. Caret related income was \$0.6m in FY 2024. The income was due to redemption of Caret units at original purchase price reduced by an amount equal to previous cash distributions in connection with the sale of a ground lease in 2022. There was no general provision for credit losses on prior period balances in FY 2020. There were no merger and Caret related costs and no non-recurring gains/losses in FY 2020 and FY 2024.

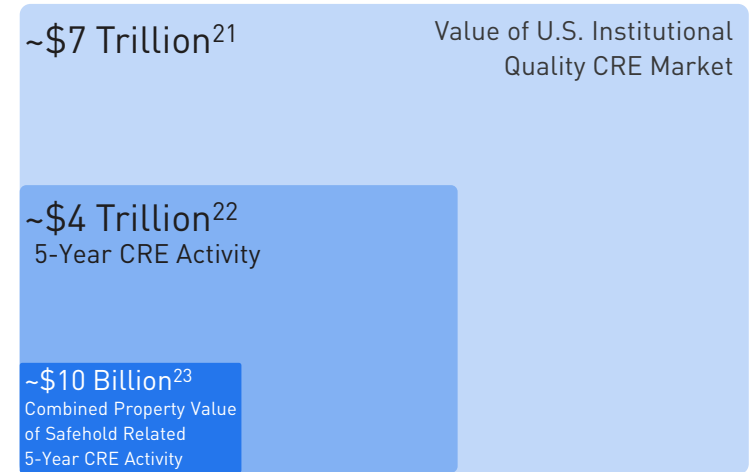
Investment Criteria and Market Opportunity

~90% of Safehold's business is creating ground leases to support commercial property acquisitions, recapitalizations or development. The remaining ~10% is acquiring existing ground leases²⁰

Target Investment Criteria

- **Top 30** MSAs with attractive fundamentals
- **Low GLTV** (~35 to 45% of CPV)
- **High Coverage** property NOI covers ground rent ~2.0 – 4.5x
- **Institutional** sponsors and leasehold lenders
- **Property Types:** Multifamily (Market, Affordable & Student Housing), Office, Hotel, Mixed Use, Life Science

Market Opportunity



Platform Highlights

One-of-One

First and only nationally-scaled, publicly traded ground lease platform

Unique Offering

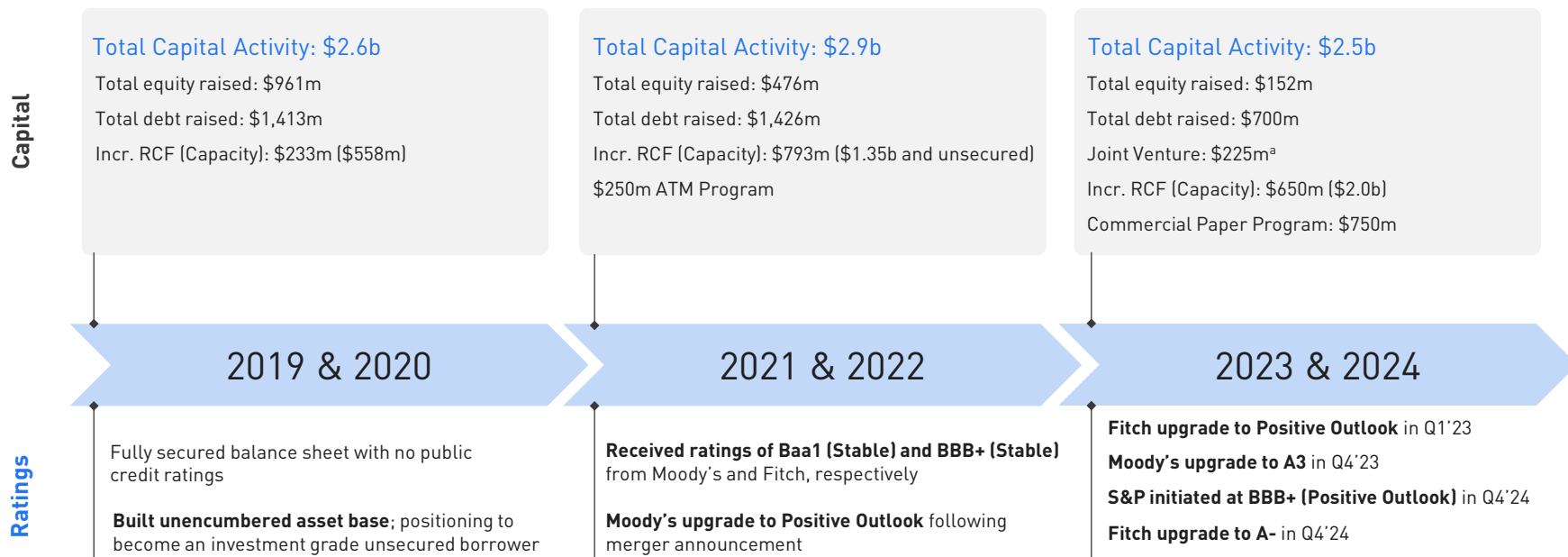
Large portfolio with diverse customer base across the U.S.

In-House Capabilities

Fully-dedicated originations team with investment grade capital advantages

Note: Refer to Appendix for Glossary and Endnotes.

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
- ✓ Maintain A3 / A- credit ratings

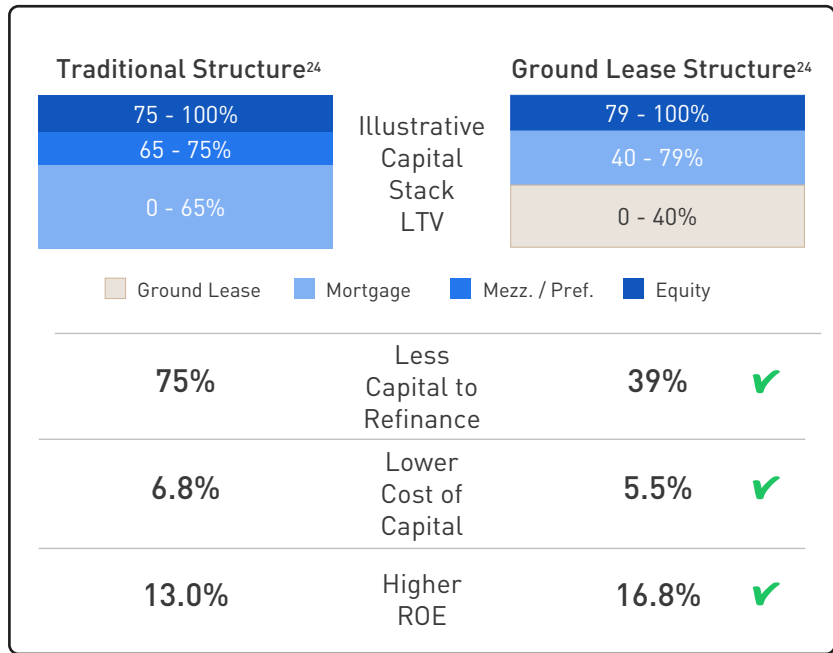
Note: Debt capital raised includes Safehold's proportionate share of JV debt raised.

a. Represents original JV partner target commitment. Original Safehold target commitment was \$275m. Each party's commitment is discretionary. In Q3'24, Safehold purchased JV partner's outstanding commitment for all existing assets in the JV. The venture remains in place, with remaining JV partner commitment of \$180m.

Value Proposition

SAFE Customers

- Ground leases are efficient sources of capital that can:
 - Drive returns via additional proceeds at lower cost
 - Eliminate repeated material friction costs
 - Significantly reduce refinancing risk
- Customers view ground leases as an operating expense akin to taxes or utilities, not leverage (non-maturing capital)



SAFE Investors

- Ground leases offer durable, compounding cash flows and inflation capture¹⁵
- Future ownership rights to capital appreciation above ground lease basis growing in tax efficient manner
- Investments are backed by well-located, institutionally-owned commercial real estate

Ranked #2 of 19 in long-term, risk-adjusted returns of all real estate asset classes per Green Street Advisors²⁵ with compelling value components:

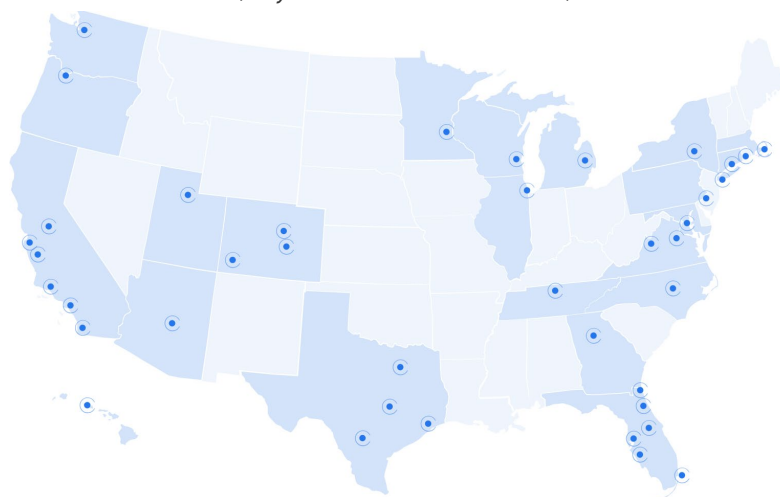
- 1. Long-term, High Grade Bond Economics**
 - Predictable, contractual, compounding
 - 99-years of call protection + inflation capture¹⁵
 - Multiple layers of subordination
 - No property obligations (NNN)
- 2. Growing Residual Portfolio**
 - Future ownership interests
 - Institutional quality
 - Diversified across top 30 MSAs
 - Annual Third-Party Appraisals

Note: Illustrative example, see page 29 for additional detail. Refer to Appendix for Endnotes.
Safehold | The Ground Lease Company | February 2025

Portfolio Diversification

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

\$6.7b Core Ground Lease Portfolio
(92-year w.a. extended lease term)



Top 10 Markets (% of GBV, Count, Rent Coverage², GLTV³)

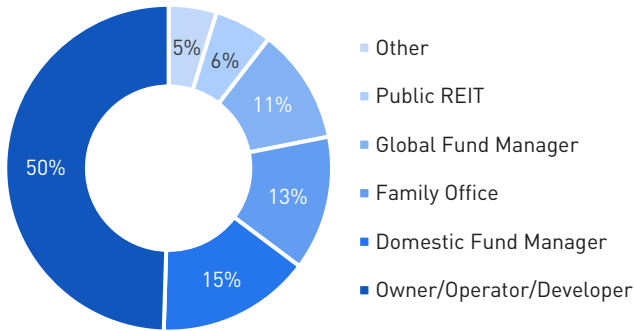
1. **Manhattan (22%)²⁶** – 10 Assets (3.0x, 58%)
2. **Washington D.C. (10%)** – 17 Assets (3.5x, 56%)
3. **Boston (8%)** – 3 Assets (3.2x, 49%)
4. **Los Angeles (7%)** – 9 Assets (3.9x, 41%)
5. **San Francisco (4%)** – 7 Assets (3.4x, 58%)
6. **Denver (4%)** – 6 Assets (3.2x, 60%)
7. **Honolulu (3%)** – 2 Assets (4.0x, 49%)
8. **Nashville (3%)** – 5 Assets (3.1x, 40%)
9. **Miami (3%)** – 6 Assets (3.7x, 40%)
10. **Atlanta (2%)** – 7 Assets (2.6x, 40%)

Portfolio by Count								GBV %	Rent Coverage ²	GLTV ³
Northeast	West	Mid Atlantic	Southeast	Southwest	Central	Total				
Multifamily	9	29	11	22	10	4	85	41%	3.6x	38%
Office	10	7	9	5	4	1	36	40%	3.2x	61%
Hotel	2	8	1	1	4	0	16	11%	3.7x	47%
Life Science	1	2	2	0	0	0	5	6%	4.7x	42%
Mixed Use & Other	1	1	0	2	0	1	5	2%	3.3x	45%
Total	23	47	23	30	18	6	147	100%	3.5x	49%

Note: Represents Core Ground Lease Portfolio. Based on Gross Book Value of \$6.7b, which excludes \$46m of Safehold's forward commitments. There can be no assurance that Safehold will fully fund any forward commitments. Refer to Appendix for Glossary and Endnotes.

Growing Customer Adoption

Diversifying Customer Base²⁷



High Customer “Stickiness” & Improving Efficiency

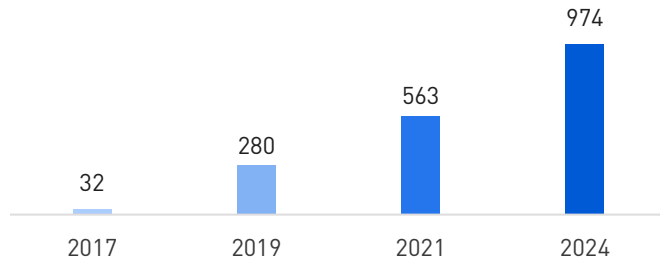
38%

Of customers have closed multiple deals with Safehold

70%

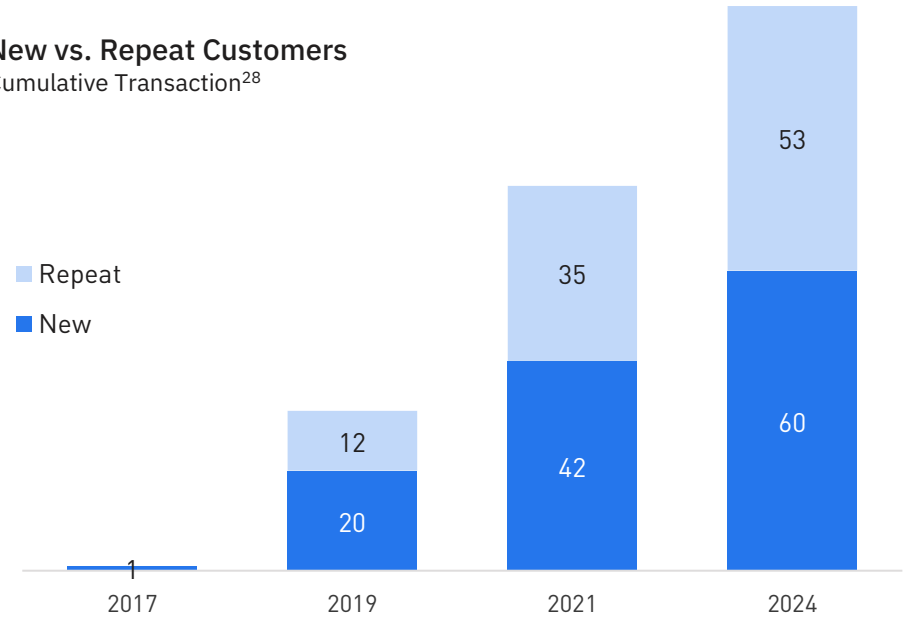
Of existing customers have looked at or are currently reviewing another deal

Increasing Customer Awareness



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

New vs. Repeat Customers Cumulative Transaction²⁸



Unique Rolling Count

	2017	2019	2021	2024
MSAs	12	25	35	40
Sponsors	9	36	72	97
Leasehold Lenders	10	30	50	57

Source: Internal CRM tracking metrics as of 12/31/2024. Refer to Appendix for Endnotes.
Safehold | The Ground Lease Company | February 2025

Institutional Sponsors and Lenders

Safehold's 147 ground leases include 97 unique sponsors and 57 unique leasehold lenders

Sponsors include financial sponsors, owner/operators, public companies, sovereign wealth funds, and other institutions. Lenders include agencies, banks, insurance, CMBS, REITs and debt funds

Sponsors



Leasehold Lenders



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

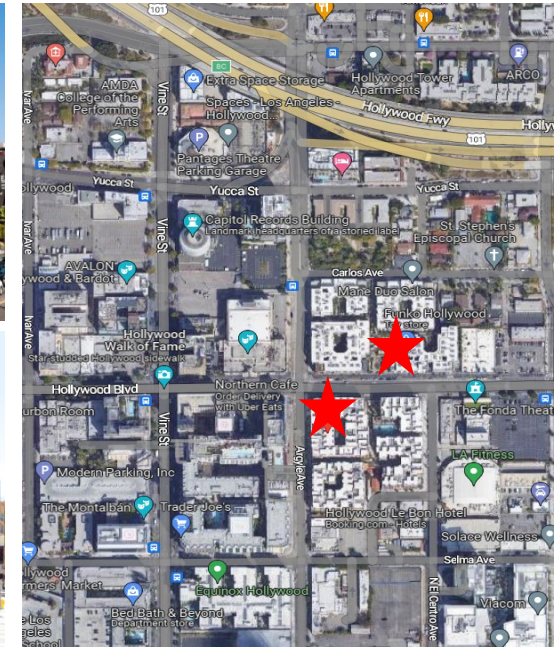
6200 & 6201 Hollywood Boulevard are two newly-built multifamily properties totaling 1k+ units with parking and billboard space on the corner of Hollywood Boulevard & Argyle Avenue.

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)	\$501
GLTV	28%
Inflation Adjusted Yield	6.5%
Term Remaining	79 years

Case Study of Payments During Covid



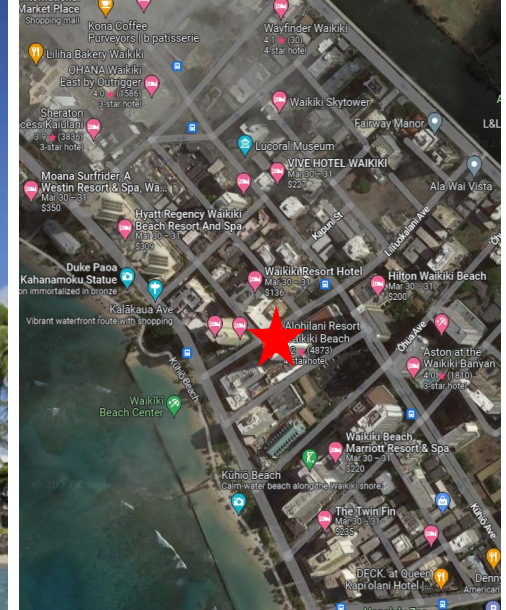
100% collections through Covid

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.

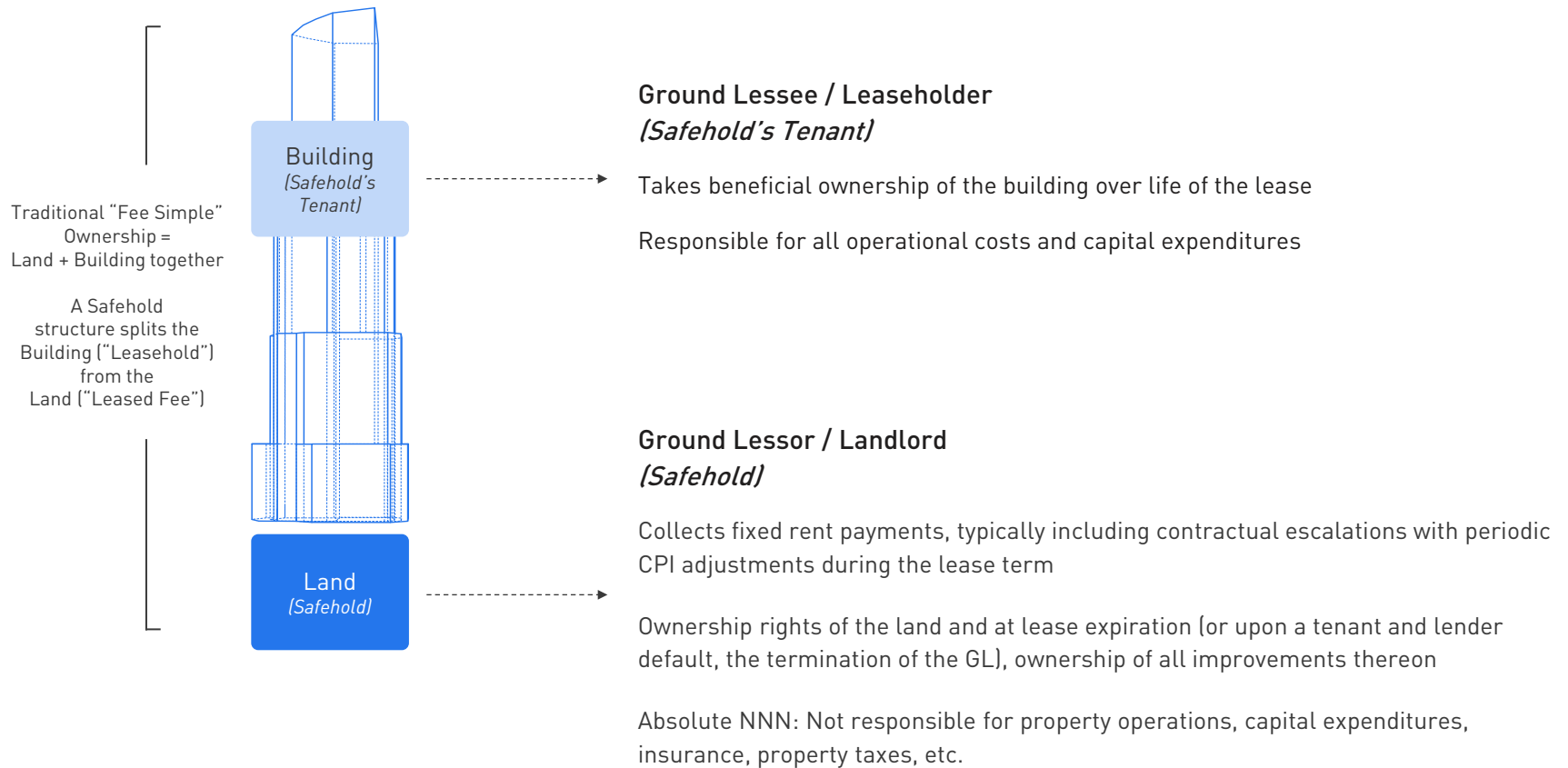


Ground Lease Purchase Price (\$m)	\$220
Current CBRE Property Value (\$m)	\$447
GLTV	50%
Inflation Adjusted Yield	6.5%
Term Remaining	94 years

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

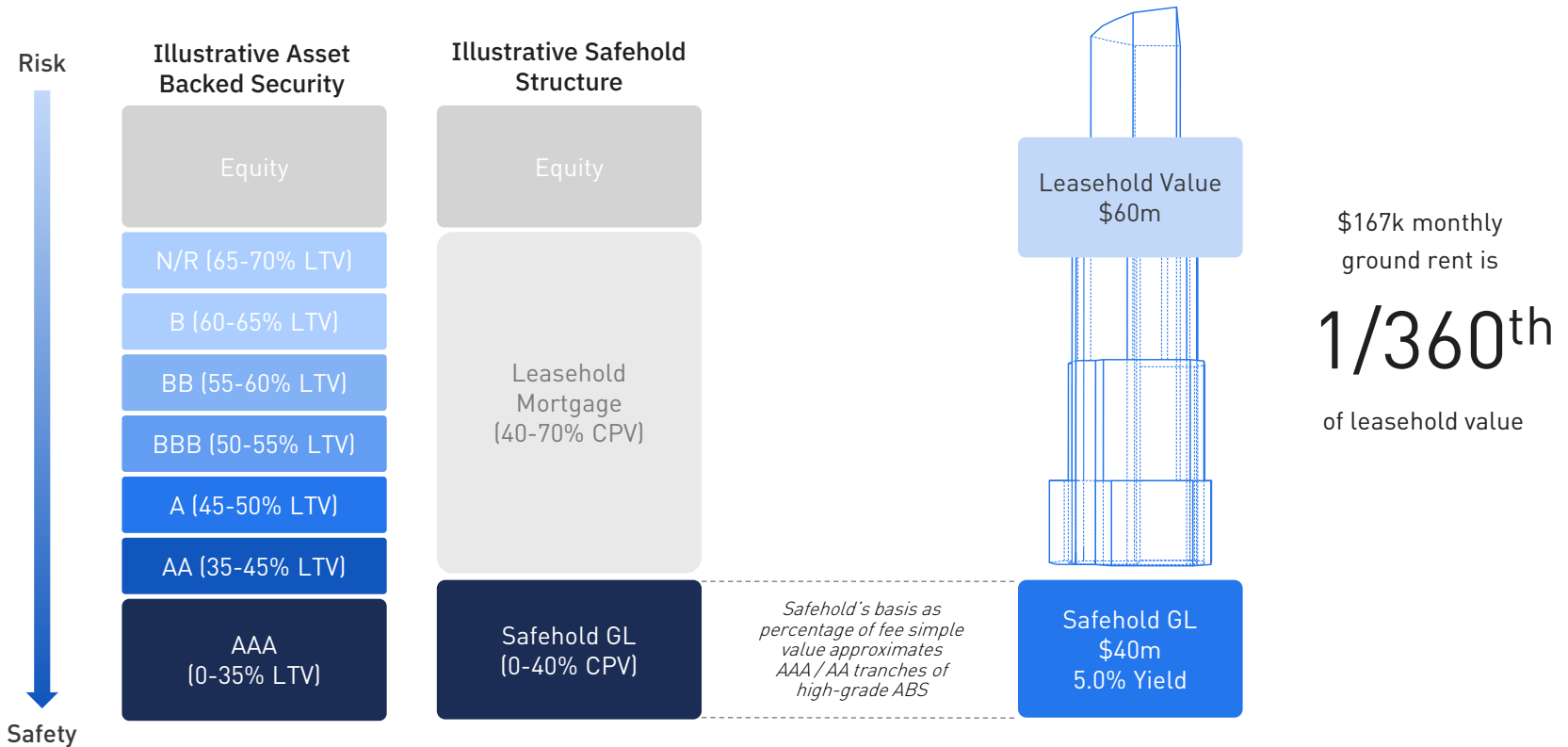
Safehold's form structure standardizes how ground leases should function in the capital markets by **removing value destroying features** found in archaic ground leases and creating a bond-like instrument with **growing, predictable cash flows** which benefits all parties

	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

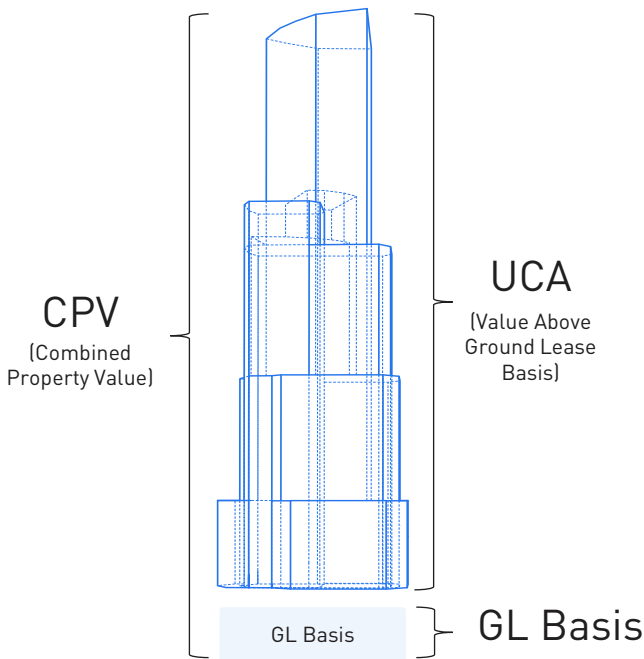
Motivated tenant to grow and protect value with an **additional layer of protection via a leasehold lender** that can step in and cure ground rent if necessary

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



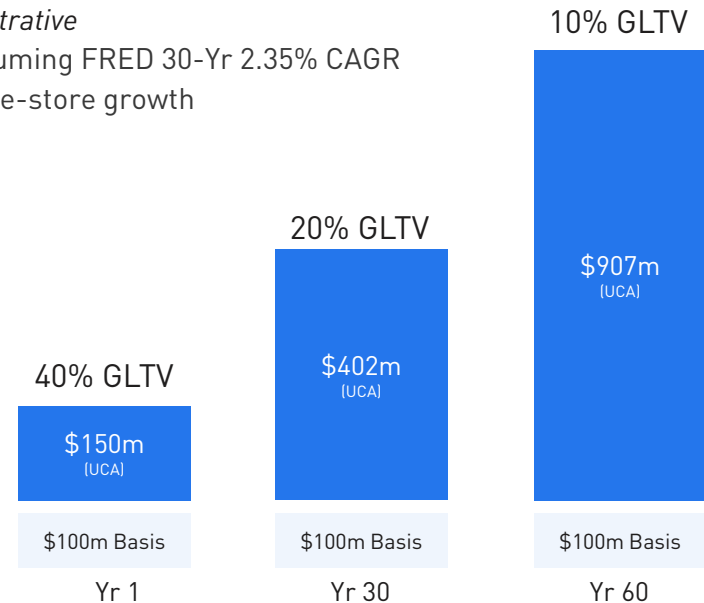
What does UCA growth mean for Safehold?

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^a, the Green Street Commercial Property Index (CPPI) has grown at a 3.7% CAGR

Illustrative
Assuming FRED 30-Yr 2.35% CAGR
same-store growth



Note: Reflects illustrative UCA growth for a hypothetical \$100m ground lease with 40% going-in GLTV, assuming 2.35% 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>, February 5, 2025.

Refer to Appendix for Unrealized Capital Appreciation Details.

a. Green Street Advisors CPPI data begins December 1997.

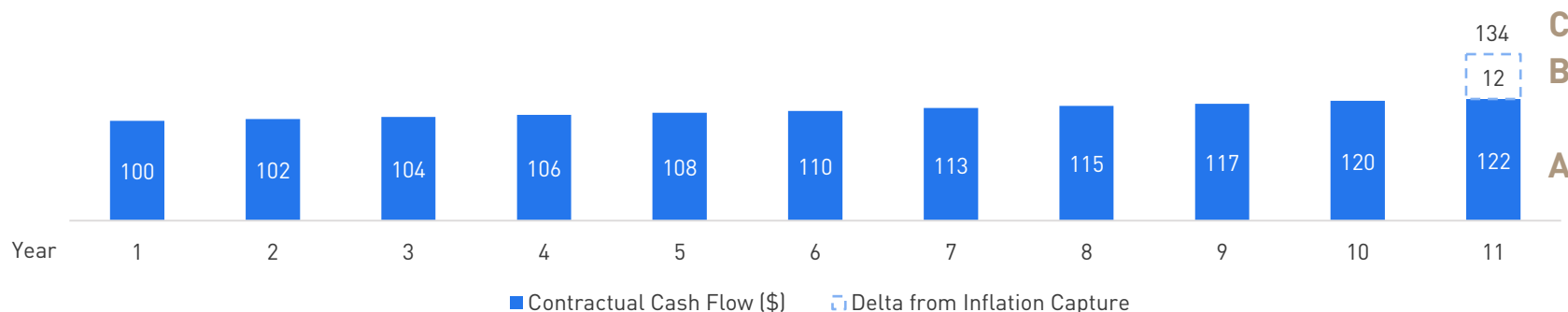
CPI Lookback Mechanics

CPI Lookbacks¹⁵ 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. Safehold’s standard form ground lease contains 8 to 9 CPI lookbacks over its 99-year term

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



~94% of the portfolio has some form of inflation protection and ~83% of Safehold’s portfolio has CPI lookbacks^a

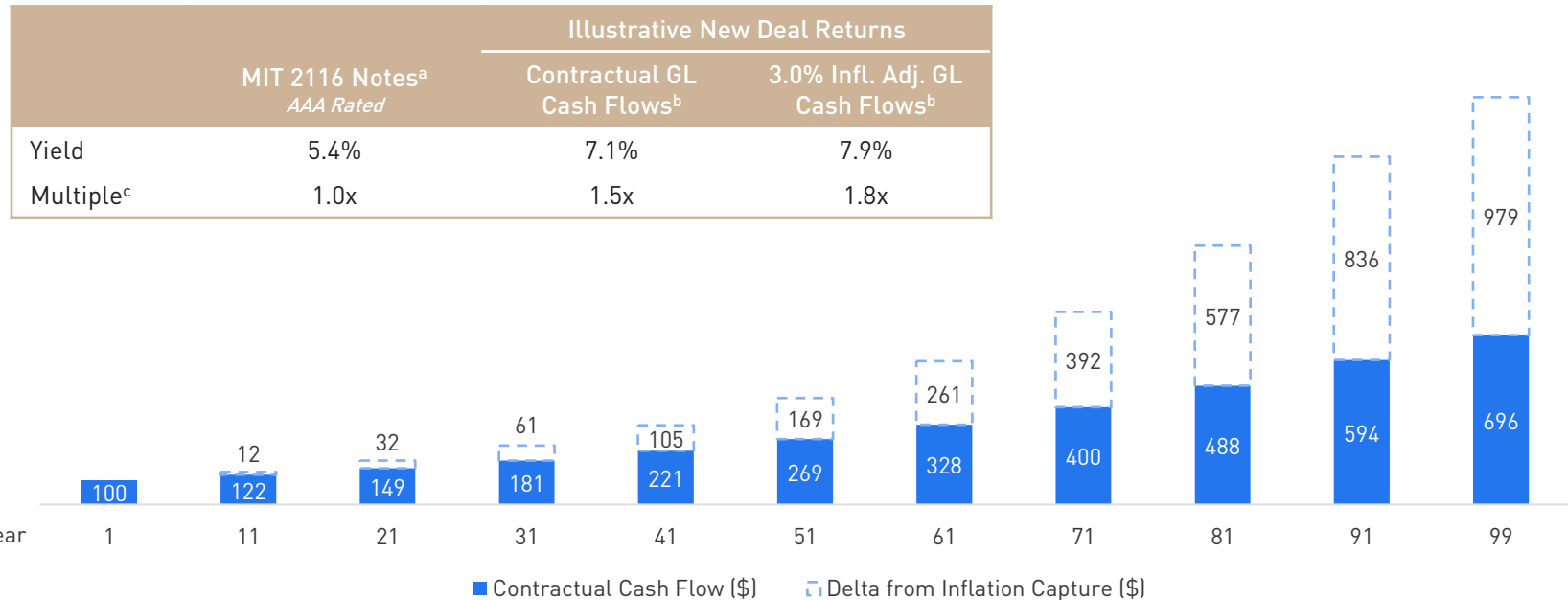
Note: Refer to Appendix for Endnotes.
a. As determined by cash rent.

Illustrative Growth – Contractual Cash Flow and Inflation Capture¹⁵

Minimum contractual ground lease cash flows target ~100+ bps of spread vs. similar long-term, high grade fixed income securities. In addition, CPI lookbacks¹⁵ in our portfolio are designed to provide meaningful inflation capture, typically up to 3.0 - 3.5% on a compounded basis

Target Safehold Ground Lease – Illustrative Returns and Compounding Effect

5.0% Initial Yield | 2.0% Rent Bumps per Annum | 10-Year CPI Lookbacks



Note: Refer to Appendix for Endnotes.

a. Illustrative example represents Massachusetts Institute of Technology unsecured notes due 2116 yield as of 2/5/25.

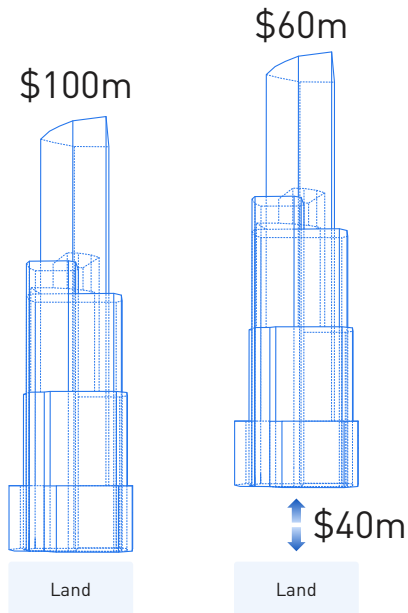
b. Target yields and cash flow multiples that assume no default, full rent collections, no destruction and no casualty events.

c. 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 5.4% as of 2/5/25) 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



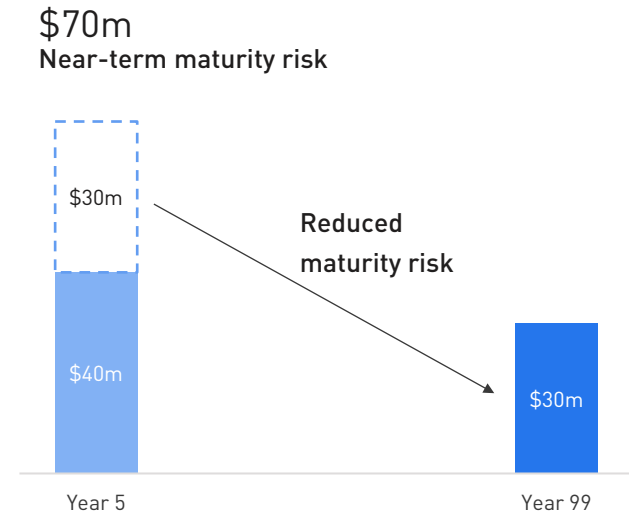
Buildings and land are different investments, most efficiently capitalized by different investors

Improved Cost Efficiency

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

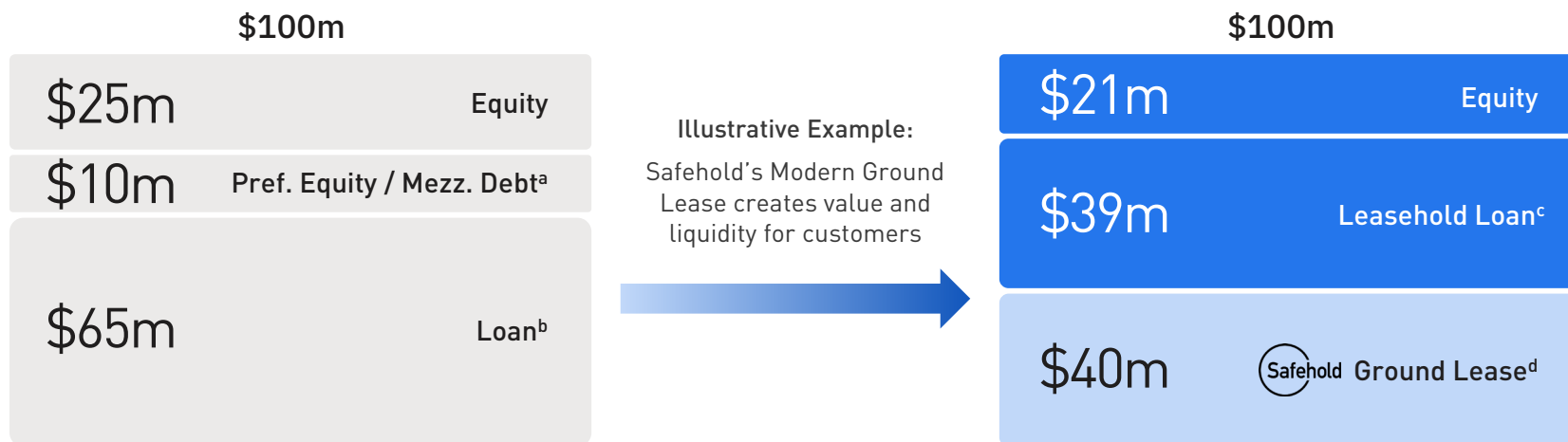
Reduces friction costs associated with selling real estate by giving 40% of capital a long-term structure of up to 99 years

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%)
\$25m	Sponsor Equity Required	\$21m (-16%)
6.0%	Unlevered Yield	6.7% (+11%)
6.8%	Cost of Capital	5.5% (-19%)
3.6%	Cash-on-Cash Returns ^e	7.9% (>100%)
13.0%	IRR (10-Year Hold) ^e	16.8% (+30%)
2.9x	Equity Multiple (10-Year Hold) ^e	3.6x (+22%)
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. Refer to Appendix for Glossary and Endnotes.

a. Assumes 12.0% fixed interest rate, 10-year term, 75% LTV of property value.

b. Assumes 6.0% fixed interest rate, 10-year term, 65% LTV of property value.

c. Assumes 6.0% fixed interest rate, 10-year term, 65% LTV of property value.

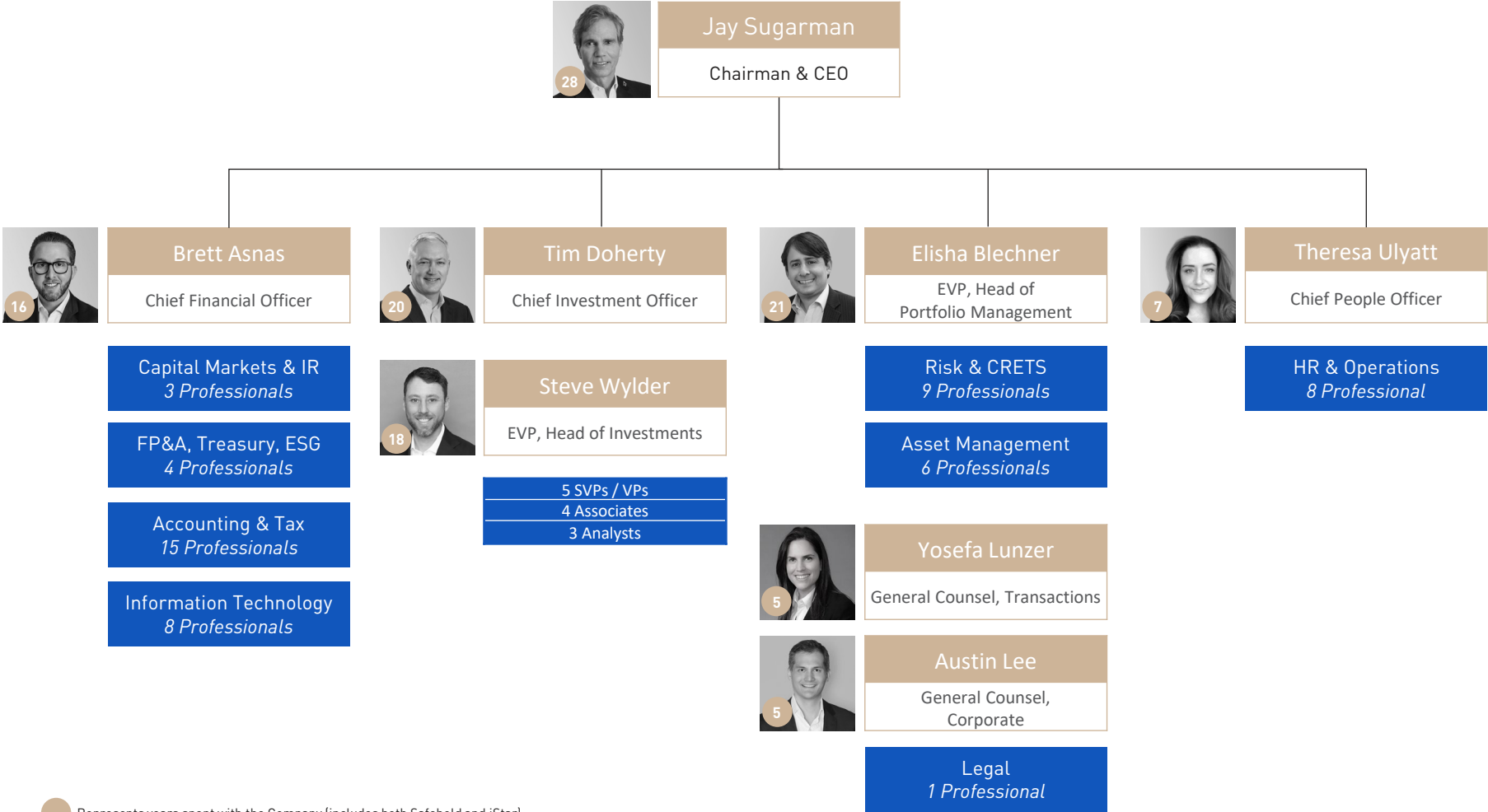
d. Assumes 5.0% initial yield, 2.0% annual escalators, 99-year term, 40% GLTV of combined property value.

e. Assumes 3.0% growth on going-in unlevered yield of 6.0%.

Appendix

Organization Structure

Safehold benefits from its full-service platform (74 employees) and leadership team with decades of experience in all key functions



Represents years spent with the Company (includes both Safehold and iStar).

ESG Update

Environmental



“Low Risk” Rating



GHG Emissions

Achieved 20% reduction target
 Against 2019 baseline, 2025 target, achieved in 2022
 Continuing to purchase carbon offsets



427 Four Twenty Seven

427 Moody's Partnership
 To evaluate and track climate risks in pipeline and portfolio

Social



15Five Partnership
 To monitor employee engagement and shape leadership priorities

CEO Action

Partnership with the largest business-led initiative to advance DEI in the workplace

PeopleGoal

Promotes goal setting, monitoring, and performance evaluations across all employees

Governance

3

Standing committees (Audit, Compensation, and Nominating & Corporate Governance) made up entirely of independent directors

6

Member Board of Directors (majority independent) subject to re-election annually.

No stockholder rights plan. Opted out of the MGCL Business Combination Act, MGCL Control Share Act and MUTA



Green Street

13-point increase in Green Street Governance Rating (largest increase out of 86 companies reviewed) in June 2024

Income Statement

	For the three months ended December 31,		For the year ended December 31,	
	2024	2023	2024	2023
Revenues:				
Interest income from sales-type leases	\$68,677	\$61,153	\$264,250	\$235,503
Operating lease income	16,717	16,921	71,061	71,287
Interest income - related party	2,384	2,381	9,482	7,143
Other income	4,094	22,572	20,892	38,645
Total revenues	\$91,872	\$103,027	\$365,685	\$352,578
Costs and expenses:				
Interest expense	\$50,343	\$47,529	\$198,042	\$181,011
Real estate expense	1,057	1,434	4,224	4,653
Depreciation and amortization	2,486	2,492	9,947	9,936
General and administrative ^a	10,265	13,623	41,160	45,339
General and administrative - stock-based compensation	3,632	3,103	13,757	23,230
Impairment of goodwill	-	-	-	145,365
Provision for (recovery of) credit losses ^b	1,042	79	9,489	2,704
Other expense	422	330	1,983	17,862
Total costs and expenses	\$69,247	\$68,590	\$278,602	\$430,100
Gain on sales of Ground Leases	-	\$447	-	\$447
Income (loss) from operations before other items	\$22,625	\$34,884	\$87,083	(\$77,075)
Earnings from equity method investments ^c	4,857	7,709	22,977	24,229
Net income (loss) before income taxes	\$27,482	\$42,593	\$110,060	(\$52,846)
Income tax expense	(1,404)	(1,139)	(3,445)	(1,719)
Net income (loss)	\$26,078	\$41,454	\$106,615	(\$54,565)
Net (income) loss attributable to noncontrolling interests	(39)	(270)	(852)	(408)
Net income (loss) attributable to Safehold Inc. common shareholders	\$26,039	\$41,184	\$105,763	(\$54,973)
Weighted avg. share count - basic	71,438	71,068	71,370	66,690
Weighted avg. share count - diluted	71,561	71,115	71,451	66,690
Earnings (loss) per share (basic & diluted)	\$0.36	\$0.58	\$1.48	(\$0.82)

Note: Figures in thousands except for per share amounts.

- a. For the three months and the year ended December 31, 2024, general and administrative expenses were partially offset by \$3.2m and \$16.8m of management fees, respectively, which are included in "Other income."
- b. For the three months and the year ended December 31, 2024, provision for (recovery of) credit losses includes \$1.0m and \$9.5m on consolidated assets, of which \$0 and \$6.6m are general provision for credit losses on prior period balances.
- c. For the three months and the year ended December 31, 2024, earnings from equity method investments includes \$0.1m and \$0.3m provision for credit losses on unconsolidated assets, of which \$0 and \$0.2m are general provision for credit losses on prior period balances.

Balance Sheet

	As of December 31, 2024	As of December 31, 2023
Assets:		
Net investment in sales-type leases	\$3,454,953	\$3,255,195
Ground Lease receivables, net	1,833,398	1,622,298
Real estate:		
Real estate, at cost	740,971	744,337
Less: accumulated depreciation	(46,428)	(40,400)
Real estate, net	694,543	703,937
Real estate-related intangible assets, net	208,731	211,113
Real estate available and held for sale	7,233	9,711
Total real estate, net, real estate-related intangible assets, net and real estate available and held for sale	910,507	924,761
Loans receivable, net - related party	112,359	112,111
Equity investments	250,034	310,320
Cash and cash equivalents	8,346	18,761
Restricted cash	8,772	27,979
Deferred tax assets, net	5,222	7,619
Deferred operating lease income receivable	210,773	180,032
Deferred expenses and other assets, net ²⁹	105,015	89,238
Total assets	\$6,899,379	\$6,548,314
Liabilities:		
Accounts payable, accrued expenses, and other liabilities	\$144,991	\$134,518
Real estate-related intangible liabilities, net	62,922	63,755
Debt obligations, net	4,317,439	4,054,365
Total liabilities	\$4,525,352	\$4,252,638
Redeemable noncontrolling interests	-	19,011
Equity:		
Safehold Inc. shareholders' equity:		
Common stock	\$714	\$711
Additional paid-in capital	2,191,840	2,184,299
Retained earnings	102,472	47,580
Accumulated other comprehensive income (loss)	48,992	[1,337]
Total Safehold Inc. shareholders' equity	\$2,344,018	\$2,231,253
Noncontrolling interests	\$30,009	\$45,412
Total equity	\$2,374,027	\$2,276,665
Total liabilities, redeemable noncontrolling interests and equity	\$6,899,379	\$6,548,314

Note: Figures in thousands.

Portfolio Reconciliation

	IPO (6/22/17)	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24
Net investment in Sales-Type Leases	-	\$1,306	\$2,413	\$3,107	\$3,255	\$3,455
Ground Lease receivables	-	577	\$796	\$1,375	\$1,622	\$1,833
Pro-rata interest in Ground Leases held as equity method investments	-	345	\$441	\$445	\$493	\$455
Real estate, net (Operating Leases)	\$265	\$730	\$713	\$707	\$701 ^a	\$695
Add: Accumulated depreciation	1	22	28	34	40	46
Add: Lease intangible assets, net	123	242	224	218	211	209
Add: Accumulated amortization	1	23	29	36	43	50
Add: Other assets ^b	-	23	22	21	20	23
Add: CECL allowance	-	-	-	-	1	10
Less: Lease intangible liabilities, net	(51)	(66)	(65)	(65)	(64)	(63)
Less: Noncontrolling interest	-	(2)	(2)	(2)	(19)	(2)
Gross Book Value	\$339	\$3,201	\$4,599	\$5,876	\$6,303	\$6,711
Add: Forward Commitments	-	19	166	308	136	46
Aggregate Gross Book Value	\$339	\$3,219	\$4,764	\$6,184	\$6,439	\$6,757
Less: Accruals to net investment in leases and ground lease receivables	-	(42)	(101)	(176)	(265)	(362)
Aggregate Cost Basis	\$339	\$3,177	\$4,664	\$6,008	\$6,174	\$6,395
Less: Forward Commitments	-	(19)	(166)	(308)	(136)	(46)
Cost Basis	\$339	\$3,159	\$4,498	\$5,700	\$6,038	\$6,349

Note: Figures in thousands. Represents Core Ground Lease Portfolio.

a. Excludes \$3m other assets.

b. Includes purchase premium from the Q3'24 JV buyout.

Safehold | The Ground Lease Company | February 2025

Earnings Reconciliation

	For the three months ended		For the year ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net income (loss) attributable to Safehold Inc. common shareholders	\$26,039	\$41,184	\$105,763	(\$54,973)
Add: Impairment of goodwill	-	-	-	145,365
Add: Merger & Caret related costs ^a	-	-	-	22,082
Less: Gain on sale of ground leases ^b	-	(447)	-	(447)
Less: Non-amortizable hedge gains	-	(15,191)	-	(15,191)
Add: General provision for credit losses on prior period balances ^c	-	-	6,804	-
Net income excluding merger & Caret related costs, non-recurring gains for the period and general provision for credit losses on prior period balances	\$26,039	\$25,547	\$112,567	\$96,837
Impact attributable to noncontrolling interests ^d	-	-	(576)	-
Net income attributable to Safehold Inc. common shareholders excluding merger & Caret related costs, non-recurring gains for the period and general provision for credit losses on prior period balances	\$26,039	\$25,547	\$111,991	\$96,837
Weighted average number of common shares - basic	71,438	71,068	71,370	66,690
Weighted average number of common shares - diluted for net income excluding merger & Caret related costs, non-recurring gains for the period and general provision for credit losses on prior period balances	71,561	71,115	71,451	66,707
EPS excluding merger & Caret related costs, non-recurring gains for the period and general provision for credit losses on prior period balances - basic & diluted	\$0.36	\$0.36	\$1.57	\$1.45

Note: Figures in millions except for per share amounts. Net income attributable to Safehold Inc. common shareholders excluding merger & Caret related costs, non-recurring gains and general provision for credit losses on prior period balances and EPS excluding merger & Caret related costs, non-recurring gains and general provision for credit losses on prior period balances are non-GAAP measures used as supplemental performance measures to give management and investors a view of net income and EPS 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, non-recurring gains and general provision for credit losses on prior period balances 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, origination of the Secured Term Loan to Star Holdings, goodwill impairment and general provision for credit losses on prior period balances, 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. EPS excluding merger & Caret related costs, non-recurring gains and general provision for credit losses on prior period balances is calculated as net income attributable to Safehold Inc. common shareholders excluding merger & Caret related costs, non-recurring gains and general provision for credit losses on prior period balances, divided by the weighted average number of diluted common shares. These metrics should not be considered as alternatives to net income (loss) attributable to common shareholders or EPS, respectively (in each case determined in accordance with generally accepted accounting principles in the United States of America ("GAAP")). These measures may differ from similarly-titled measures used by other companies.

- In Q3'23, we recorded an impairment of goodwill that was recognized as a result of the merger. Merger and Caret related costs excluding impairment of goodwill were \$0 in FY'24 and \$22.1m in FY'23. FY'23 includes \$10.1m expenses and reserves primarily related to legal, tax, accounting and advisors, \$6.7m transfer tax and \$5.3m G&A primarily related to the termination of pre-existing iStar incentive plans and other miscellaneous items. All numbers net of impact attributable to noncontrolling interests.
- Includes sales of net investment in leases and ground lease receivables.
- Includes general provision for credit losses on prior period balances of \$6.6m on consolidated assets and \$0.2m on unconsolidated assets in YTD'24.
- Caret related income was \$0.6m in FY'24 and \$0 in FY'23. The income was due to redemption of Caret units at original purchase price reduced by an amount equal to previous cash distributions in connection with the sale of a ground lease in 2022.

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. Lagging valuations may not accurately capture declines in our UCA, CPV or derived metrics such as GLTV, and such declines could be reflected in future periods, and any such decline could be material.

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 and CPV, including additional limitations and qualifications, please refer to our Current Report on Form 8-K filed with the SEC on February 5, 2025 and the “Risk Factors” section of our Annual Report on Form 10-K for the year ended December 31, 2024, 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, 1,371,254 of which are currently outstanding and some of which remains subject to time-based vesting. See our 2024 Proxy Statement for additional information on the long-term incentive plan.

As of December 31, 2024, we had sold an aggregate of 122,500 Caret units to third-party investors, including affiliates of MSD Partners, L.P., that remain outstanding. As of December 31, 2024, we own approximately 84.3% of the outstanding Caret units. In connection with the sale of 137,142 Caret units in February 2022 (28,571 of which were committed to be purchased at the time, but did not close), 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. Because public market liquidity was not achieved by February 2024, the investors in the February 2022 transaction had the right to cause their Caret units purchased in February 2022 to be redeemed at the purchase price less the amounts of distributions previously made on such units. In April 2024, such outstanding units were redeemed.

Aggregate Cost Basis	Represents Cost Basis plus unfunded commitments of the Core Ground Lease Portfolio. For unfunded commitments, it represents the aggregate future amount to be paid under the commitments.
Aggregate Gross Book Value	Represents the Gross Book Value plus unfunded commitments of the Core Ground Lease Portfolio. For unfunded commitments, it represents the aggregate future amount to be paid under the commitments.
Annualized Cash Yield	Calculated as the annualized base Cash Rent plus Percentage Rent divided by Cost Basis, each for the Core Ground Lease Portfolio.
Annualized Yield	Calculated as the annualized base Net Rent plus Percentage Rent divided by GBV, each for the Core Ground Lease Portfolio.
Cash Interest Rate	The current cash interest rate of debt.
Cash Rent	Represents base ground lease income recognized excluding straight-line rent, amortization of lease intangibles, and non-cash income from sales-type leases, each for the Core Ground Lease Portfolio.
Combined Property Value (CPV)	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.
Core Ground Lease Portfolio	Represents the portfolio of assets owned at the date indicated and our proportionate share of two unconsolidated joint venture assets, and excludes the Star Holdings Loan, Leasehold Loan Fund and GL Plus Fund.
Cost Basis	Represents the historical purchase price of an asset in the Core Ground Lease Portfolio, including capitalized acquisition costs of the assets.
Economic Yield	Computed similarly to effective yield on a bond, the Economic Yield is calculated using projected cash flows beginning 1/1/2025 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.
Effective Interest Rate	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.
GAAP Rent	Current period revenue from operating and sales-type leases recognized under GAAP, each for the Core Ground Lease Portfolio.
GL Plus Fund	The Company's investment fund that targets the origination and acquisition of Ground Leases for commercial real estate projects that are in a pre-development phase.
Gross Book Value (GBV)	Represents Cost Basis plus accrued interest on sales-type leases of the Core Ground Lease Portfolio. The amount is not reduced for general provision for credit losses allowances.
Ground Lease-to-Value (GLTV)	Calculated as the Aggregate GBV divided by CPV of the Core Ground Lease Portfolio. 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.
Ground Lease Plus Commitment (GL+)	Safehold's commitment or option to purchase ground leases from a joint venture contingent on certain development and timing criteria.
Inflation Adjusted Yield	For CPI adjustments and CPI lookbacks, Inflation Adjusted Yield is computed in the same manner as Economic Yield, assuming a specific alternative 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.
Net Rent	GAAP Rent less depreciation & amortization for the Core Ground Lease Portfolio. 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, each for the Core Ground Lease Portfolio.
Owned Residual Portfolio	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.
Percentage Rent	Represents TTM cash percentage rent paid by the property.
Property NOI	Represents the net operating income (NOI) of the building/Safehold's ground lease tenant prior to paying ground lease rent.
Rent Coverage	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.
Safehold™/Safehold™ Ground Lease	A ground lease originated and structured by Safehold.
Unrealized Capital Appreciation (UCA)	Calculated as the difference between CPV of the Core Ground Lease Portfolio and the 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.

Endnotes

- (1) Manhattan market comprises 24% of total New York MSA GBV (4 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. 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.
- (4) Represents GBV of unencumbered ground leases and does not include cash and other assets. Total unencumbered assets is \$4.3b.
- (5) 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.
- (6) Includes JV debt. Corporate leverage represents Total Debt divided by GAAP total shareholders' equity.
- (7) Excludes outstanding borrowings under the Company's unsecured revolving credit facility.
- (8) Reflects amount due at maturity, excluding JV debt, unamortized discounts and unamortized deferred financing costs.
- (9) Figures reflect average G-spread of ~10-year and ~30-year unsecured note issuances, using on-the-run spreads (2031-2034 and 2047-2052 bonds for each issuer) sourced from FactSet as of 2/5/2025. For Safehold, "10-year Credit Spread" reflects spread on 2035 notes; Source: FactSet, Company filings.
- (10) Credit spreads include O, NNN.
- (11) Credit spreads include AVB, EQR, MAA.
- (12) Credit spreads include EQIX.
- (13) Credit spreads include AMT, CCI.
- (14) Annualized Yield is based on GAAP treatment, which assumes 0% growth / inflation environment for the remaining term of existing legacy ground leases that have structures with a component of variable rent.
- (15) 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 94% of our portfolio as determined by cash rent has some form of inflation capture.
- (16) 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>, February 5, 2025.
- (17) Includes Cash and Credit Facility Availability.
- (18) Includes JV debt and excludes outstanding borrowings under the Company's unsecured revolving credit facilities.
- (19) The principal of debt obligations and pro-rata share of secured debt held in unconsolidated JVs divided by total equity.
- (20) Past activity may not be indicative of future activity.
- (21) Total estimated size of institutional quality commercial real estate in top 30 markets. Source: RCA Analytics and management estimates.
- (22) Includes acquisitions (>\$50M), recapitalizations, and developments of all US multifamily, office, lodging, and industrial assets beginning 2020. Source: RCA Analytics, CoStar, Green Street.
- (23) Represents approximate current Combined Property Value of all transactions originated beginning 2020. Over the last 5 years, Safehold has averaged ~\$700+ million of ground lease investment activity per year. At ~40% GLTV, that implies annual ground lease and related CRE activity is roughly 0.3% of annualized rent CRE activity.
- (24) Illustrative example, see page 29 for additional detail. Assumes 6.0% beginning cap rate at the underlying property and 6.0% cap rate at time of sale in year 10. Traditional structure assumes 6.8% blended cost of debt. Ground lease structure assumes 5.0% starting cash yield increasing 2.0% per year, and 6.0% leasehold loan cost.
- (25) Green Street Advisors Commercial Property Monthly February 2025.
- (26) Total New York MSA including areas outside of Manhattan makes up 28% of GBV (18 assets).
- (27) Based on number of unique sponsors.
- (28) Excludes Ground Lease Plus, IPO assets, deals in which iStar was the sponsor, and acquisition of existing ground leases.
- (29) Includes \$1.5 million preferred equity funding. The Company entered into a discretionary commitment to fund up to \$9.0 million of preferred equity in an entity that owns the leasehold interest under one of the Company's office Ground Leases located in Washington, DC. This preferred equity position is intended to fund any operating cash flow deficits and leasing capital necessary at the property as our tenant explores potential re-leasing or a leasehold sale. In-place cash flows at the property covered ground rent through December 31, 2024, though a semi-annual property tax payment made in September 2024 produced a shortfall, which resulted in a \$1.5 million funding. During the year ended December 31, 2024, the Company funded \$1.5 million of the commitment which is included in "Deferred expenses and other assets" on the Company's consolidated balance sheet as of December 31, 2024. In addition, the Company has recognized \$6.7 million of interest income from sales-type leases from the Ground Lease in its consolidated statements of operations for the year ended December 31, 2024.

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 merger of Safehold Inc. and iStar Inc. (“STAR”) and/or our 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) escalating geopolitical tensions as a result of the war in Ukraine and the evolving conflict in Israel and surrounding areas; 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, 2024 when it is filed 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: Certain Metrics; Readers of this presentation are cautioned that certain metrics that we report and monitor may not reflect current market values, including the decline in office values. Our estimated UCA and CPV are based, in part, on valuations associated with each Ground Lease that occur every 12 to 24 months, and lagging valuations may not accurately capture declines. Additionally, given the limitations of the information used in our estimates, it is possible that actual Ground Rent Coverage may be lower than our estimates. Readers are urged to read our Annual Report on Form 10-K for the year ended December 31, 2024 when it is 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.

Merger Transaction / Basis of Presentation: On November 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.

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