
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended

March 31, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 001-15371

Safehold Inc.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

1114 Avenue of the Americas

39th Floor

New York , NY

(Address of principal executive offices)

95-6881527

(I.R.S. Employer
Identification Number)

10036

(Zip code)

Registrant's telephone number, including area code: **(212) 930-9400**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	SAFE	NYSE

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding twelve months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of May 5, 2025, there were 71,723,269 shares, \$0.01 par value per share, of Safehold Inc. common stock outstanding.

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PART I. CONSOLIDATED FINANCIAL INFORMATION

Item 1. Financial Statements

Safehold Inc.
Consolidated Balance Sheets⁽¹⁾
(In thousands)
(unaudited)

	March 31, 2025	December 31, 2024
ASSETS		
Net investment in sales-type leases (\$7,697 and \$6,821 of allowances as of March 31, 2025 and December 31, 2024, respectively)	\$ 3,471,953	\$ 3,454,953
Ground Lease receivables, net (\$5,213 and \$3,664 of allowances as of March 31, 2025 and December 31, 2024, respectively)	1,854,395	1,833,398
Real estate		
Real estate, at cost	740,971	740,971
Less: accumulated depreciation	(47,935)	(46,428)
Real estate, net	693,036	694,543
Real estate-related intangible assets, net	207,350	208,731
Real estate available and held for sale	5,894	7,233
Total real estate, net and real estate-related intangible assets, net and real estate available and held for sale	906,280	910,507
Loans receivable, net - related party (\$2,194 and \$2,311 of allowances as of March 31, 2025 and December 31, 2024, respectively)	112,520	112,359
Equity investments	245,958	250,034
Cash and cash equivalents	17,296	8,346
Restricted cash	8,687	8,772
Deferred tax asset, net	4,345	5,222
Deferred operating lease income receivable	218,388	210,773
Deferred expenses and other assets, net ⁽²⁾	89,533	105,015
Total assets	\$ 6,929,355	\$ 6,899,379
LIABILITIES AND EQUITY		
Liabilities:		
Accounts payable, accrued expenses and other liabilities	\$ 143,981	\$ 144,991
Real estate-related intangible liabilities, net	62,714	62,922
Debt obligations, net	4,341,484	4,317,439
Total liabilities	4,548,179	4,525,352
Commitments and contingencies (refer to Note 10)		
Equity:		
Safehold Inc. shareholders' equity:		
Common stock, \$0.01 par value, 400,000 shares authorized, 71,723 and 71,440 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	717	714
Additional paid-in capital	2,195,721	2,191,840
Retained earnings	119,034	102,472
Accumulated other comprehensive income (loss)	35,360	48,992
Total Safehold Inc. shareholders' equity	2,350,832	2,344,018
Noncontrolling interests	30,344	30,009
Total equity	2,381,176	2,374,027
Total liabilities and equity	\$ 6,929,355	\$ 6,899,379

(1) Refer to Note 2 for details on the Company's consolidated variable interest entities ("VIEs").

(2) As of March 31, 2025 and December 31, 2024, includes \$3.7 million and \$3.8 million, respectively, due from related parties.

The accompanying notes are an integral part of the consolidated financial statements.

Safehold Inc.
Consolidated Statements of Operations
(In thousands, except per share data)
(unaudited)

	For the Three Months Ended March 31,	
	2025	2024
Revenues:		
Interest income from sales-type leases	\$ 69,664	\$ 63,218
Operating lease income	21,382	21,003
Interest income - related party ⁽¹⁾	2,333	2,357
Other income ⁽²⁾	4,298	6,635
Total revenues	<u>97,677</u>	<u>93,213</u>
Costs and expenses:		
Interest expense	50,426	48,631
Real estate expense	1,158	1,079
Depreciation and amortization	2,196	2,487
General and administrative	14,132	15,628
Provision for (recovery of) credit losses	2,296	709
Other expense	2,168	91
Total costs and expenses	<u>72,376</u>	<u>68,625</u>
Income (loss) from operations before other items	25,301	24,588
Earnings (losses) from equity method investments	4,992	6,912
Net income (loss) before income taxes	30,293	31,500
Income tax expense	(883)	(471)
Net income (loss)	<u>29,410</u>	<u>31,029</u>
Net (income) loss attributable to noncontrolling interests	(46)	(301)
Net income (loss) attributable to Safehold Inc. common shareholders	<u>\$ 29,364</u>	<u>\$ 30,728</u>
Per common share data:		
Net income (loss)		
Basic	\$ 0.41	\$ 0.43
Diluted	\$ 0.41	\$ 0.43
Weighted average number of common shares:		
Basic	71,521	71,170
Diluted	71,635	71,240

(1) Refer to Note 6.

(2) For the three months ended March 31, 2025 and 2024, includes \$3.6 million and \$5.5 million, respectively, of management fees from related parties.

The accompanying notes are an integral part of the consolidated financial statements.

Safehold Inc.
Consolidated Statements of Comprehensive Income (Loss)
(In thousands)
(unaudited)

	For the Three Months Ended March 31,	
	2025	2024
Net income (loss)	\$ 29,410	\$ 31,029
Other comprehensive income (loss):		
Reclassification of (gains) losses on derivatives into earnings	(519)	(1,615)
Unrealized gain (loss) on derivatives	(13,113)	29,410
Other comprehensive income (loss):	(13,632)	27,795
Comprehensive income (loss)	15,778	58,824
Comprehensive (income) loss attributable to noncontrolling interests	(46)	(301)
Comprehensive income (loss) attributable to Safehold Inc.	<u>\$ 15,732</u>	<u>\$ 58,523</u>

The accompanying notes are an integral part of the consolidated financial statements.

Safehold Inc.
Consolidated Statements of Changes in Equity
(In thousands)
(unaudited)

	Redeemable Noncontrolling Interests ⁽¹⁾	Common Stock at Par	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Equity
Balance at December 31, 2024	\$ —	\$ 714	\$ 2,191,840	\$ 102,472	\$ 48,992	\$ 30,009	\$ 2,374,027
Net income (loss)	—	—	—	29,364	—	46	29,410
Issuance of common stock, net / amortization	—	3	3,990	—	—	329	4,322
Dividends declared (\$0.177 per share)	—	—	—	(12,802)	—	—	(12,802)
Change in accumulated other comprehensive income (loss)	—	—	—	—	(13,632)	—	(13,632)
Distributions to noncontrolling interests	—	—	—	—	—	(24)	(24)
Redemption of noncontrolling interests	—	—	(109)	—	—	(16)	(125)
Balance at March 31, 2025	<u>\$ —</u>	<u>\$ 717</u>	<u>\$ 2,195,721</u>	<u>\$ 119,034</u>	<u>\$ 35,360</u>	<u>\$ 30,344</u>	<u>\$ 2,381,176</u>
Balance at December 31, 2023	\$ 19,011	\$ 711	\$ 2,184,299	\$ 47,580	\$ (1,337)	\$ 45,412	\$ 2,276,665
Net income (loss)	—	—	—	30,728	—	301	31,029
Issuance of common stock, net / amortization	—	3	6,372	—	—	373	6,748
Dividends declared (\$0.177 per share)	—	—	—	(12,678)	—	—	(12,678)
Change in accumulated other comprehensive income (loss)	—	—	—	—	27,795	—	27,795
Change in noncontrolling interests	—	—	—	—	—	123	123
Distributions to noncontrolling interests	—	—	—	—	—	(171)	(171)
Balance at March 31, 2024	<u>\$ 19,011</u>	<u>\$ 714</u>	<u>\$ 2,190,671</u>	<u>\$ 65,630</u>	<u>\$ 26,458</u>	<u>\$ 46,038</u>	<u>\$ 2,329,511</u>

(1) Refer to Note 3.

The accompanying notes are an integral part of the consolidated financial statements.

Safehold Inc.
Consolidated Statements of Cash Flows
(In thousands)
(unaudited)

	For the Three Months Ended	
	March 31,	
	2025	2024
Cash flows from operating activities:		
Net income (loss)	\$ 29,410	\$ 31,029
Adjustments to reconcile net income to cash flows from operating activities:		
Depreciation and amortization	2,196	2,487
Stock-based compensation expense	3,487	4,765
Deferred operating lease income	(7,615)	(7,718)
Non-cash interest income from sales-type leases	(24,389)	(21,857)
Non-cash interest expense	2,721	2,878
Amortization of real estate-related intangibles, net	578	577
Write-off of investment in preferred equity	1,945	—
Provision for credit losses	2,296	709
Earnings from equity method investments	(4,992)	(6,912)
Distributions from operations of equity method investments	3,215	3,647
Amortization of premium, discount and deferred financing costs on debt obligations, net	2,051	1,862
Other operating activities	(723)	(1,877)
Changes in assets and liabilities:		
Changes in deferred expenses and other assets, net	(2,770)	(1,992)
Changes in accounts payable, accrued expenses and other liabilities	1,491	(10,662)
Cash flows provided by (used in) operating activities	<u>8,901</u>	<u>(3,064)</u>
Cash flows from investing activities:		
Origination/acquisition of net investment in sales-type leases and Ground Lease receivables	(16,129)	(79,201)
Contributions to equity method investments	(3,675)	(9,192)
Distributions from equity method investments	9,528	19,465
Net proceeds received from sale of real estate available and held for sale	1,209	—
Funding of cash collateral for debt obligations	—	(19,112)
Proceeds received from derivative transactions	1,677	2,957
Proceeds received from the settlement of derivative transactions	—	9,687
Other investing activities	389	693
Cash flows provided by (used in) investing activities	<u>(7,001)</u>	<u>(74,703)</u>
Cash flows from financing activities:		
Proceeds from debt obligations	216,000	416,871
Repayments of debt obligations	(193,000)	(326,000)
Payments for deferred financing costs	(441)	(4,281)
Dividends paid to common shareholders	(12,651)	(12,572)
Payment of offering costs	—	(51)
Payments for withholding taxes upon vesting for stock-based compensation	(2,794)	(3,594)
Redemption of noncontrolling interests	(125)	—
Distributions to noncontrolling interests	(24)	(171)
Cash flows provided by (used in) financing activities	<u>6,965</u>	<u>70,202</u>
Changes in cash, cash equivalents and restricted cash	8,865	(7,565)
Cash, cash equivalents and restricted cash at beginning of period	17,118	46,740
Cash, cash equivalents and restricted cash at end of period	<u>\$ 25,983</u>	<u>\$ 39,175</u>
Reconciliation of cash and cash equivalents and restricted cash presented on the consolidated statements of cash flows		
Cash and cash equivalents	\$ 17,296	\$ 11,284
Restricted cash	8,687	27,891
Total cash and cash equivalents and restricted cash	<u>\$ 25,983</u>	<u>\$ 39,175</u>
Supplemental disclosure of non-cash investing and financing activity:		
Dividends declared to common shareholders	\$ 12,794	\$ 12,672
Accruals for payments of withholding taxes upon vesting for stock-based compensation	1,181	1,465
Accrued finance costs	—	326

The accompanying notes are an integral part of the consolidated financial statements.

Safehold Inc.
Notes to Consolidated Financial Statements
(unaudited)

Note 1—Business and Organization

Business—On March 31, 2023, Safehold Inc. (“Old Safe”) merged with and into iStar Inc. (“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”). Unless context otherwise requires, references to “the Company” refer to the business and operations of Old Safe and its consolidated subsidiaries prior to the Merger, and to Safehold Inc. (formerly iStar) and its consolidated subsidiaries following the consummation of the Merger. The Company is internally managed and operates its business through one reportable segment by acquiring, managing and capitalizing ground leases. The Company also manages entities focused on ground leases (refer to Note 7) and a wholly-owned subsidiary of the Company serves as external manager to Star Holdings (“Star Holdings”), a Maryland statutory trust that holds the legacy non-ground lease assets held by iStar prior to the Merger as well as shares of common stock of the Company. Ground leases are long-term contracts between the landlord (the Company) and a tenant or leaseholder. Ground leases generally represent ownership of the land underlying commercial real estate projects that is net leased by the fee owner of the land to the owners/operators of the real estate projects built thereon (“Ground Leases”). Under a Ground Lease, the tenant is generally responsible for all property operating expenses, such as maintenance, real estate taxes and insurance and is also responsible for development costs and capital expenditures. Ground Leases are typically long-term (base terms ranging from 30 to 99 years, often with tenant renewal options) and have contractual base rent increases (either at a specified percentage or consumer price index (“CPI”) based, or both) and sometimes include percentage rent participations. The Company’s CPI lookbacks are generally capped between 3.0% - 3.5% and generally start between years 11 and 21 of the lease term. In the event cumulative inflation growth for the lookback period exceeds the cap, these rent adjustments may not keep up fully with changes in inflation.

The Company intends to target investments in long-term Ground Leases in which: (i) the initial cost of its Ground Lease represents 30% to 45% of the combined value of the land and buildings and improvements thereon as if there was no Ground Lease on the land (“Combined Property Value”); (ii) the ratio of property net operating income to the Ground Lease payment due the Company (“Ground Rent Coverage”) is between 2.0x to 4.5x, and for this purpose the Company uses estimates of the stabilized property net operating income if it does not receive current tenant information and for properties under construction or in 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; and (iii) the Ground Lease contains contractual rent escalation clauses or percentage rent that participates in gross revenues generated by the commercial real estate on the land. As Ground Lease lessor, the Company typically has the right to regain possession of its land and take ownership of the buildings and improvements thereon upon tenant default and the termination of the Ground Lease on account of such default. The Company believes that the Ground Lease structure provides an opportunity for potential value accretion through the reversion to the Company, as the Ground Lease owner, of the buildings and improvements on the land at the expiration or earlier termination of the lease, for no additional consideration from the Company.

Organization—The Company is a Maryland corporation and its common stock is listed on the New York Stock Exchange (“NYSE”) under the symbol “SAFE.” The Company (then known as iStar) elected to be treated as a real estate investment trust (“REIT”) for U.S. federal income tax purposes, commencing with the tax year ended December 31, 1998.

The Company conducts all of its business and owns all of its properties through Safehold GL Holdings LLC (“Portfolio Holdings”), which, prior to its conversion into a Delaware limited liability company in connection with the Merger, was named Safehold Operating Partnership LP. The Company, management of the Company, employees and former employees of the Company, affiliates of MSD Partners, L.P. (“MSD Partners”) and other outside investors own the issued and outstanding equity of Portfolio Holdings.

Safehold Management Services Inc. (“SpinCo Manager”), a Delaware corporation and a subsidiary of the Company, is party to a management agreement with Star Holdings dated as of March 31, 2023, as amended, pursuant to

Safehold Inc.
Notes to Consolidated Financial Statements
(unaudited)

which SpinCo Manager will operate and pursue the orderly monetization of Star Holding's assets. Star Holdings paid SpinCo Manager an annual management fee of \$25.0 million for the term ended March 31, 2024 and \$15.0 million for the term ended March 31, 2025. The annual fee declines to \$10.0 million and \$7.5 million (refer to Note 14), respectively, for each of the following annual terms, and adjusts to 2.0% of the gross book value of Star Holdings' assets, excluding shares of the Company's common stock held by Star Holdings, thereafter. The Company and Star Holdings also entered into a governance agreement that places certain restrictions on the transfer and voting of the shares of the Company owned by Star Holdings, and a registration rights agreement under which the Company agreed to register such shares for resale in accordance with applicable securities laws.

Note 2—Basis of Presentation and Principles of Consolidation

Basis of Presentation—The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with the instructions to Form 10-Q and Article 10-01 of Regulation S-X for interim financial statements. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles in the United States of America ("GAAP") for complete financial statements. These unaudited consolidated financial statements and related notes should be read in conjunction with the consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 (the "2024 Annual Report").

The preparation of these consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Certain prior year amounts have been reclassified in the Company's consolidated financial statements and the related notes to conform to the current period presentation.

In the opinion of management, the accompanying consolidated financial statements contain all adjustments consisting of normal recurring adjustments necessary for a fair statement of the results for the interim periods presented. Such operating results may not be indicative of the expected results for any other interim periods or the entire year.

Principles of Consolidation—The consolidated financial statements include the accounts and operations of the Company, its wholly-owned subsidiaries and VIEs for which the Company is the primary beneficiary. All intercompany balances and transactions have been eliminated in consolidation.

Consolidated VIEs—The Company consolidates VIEs for which it is considered the primary beneficiary. As of March 31, 2025, the total assets of these consolidated VIEs were \$77.1 million and total liabilities were \$30.1 million. The classifications of these assets are primarily within "Net investment in sales-type leases," "Real estate, net," "Real estate-related intangible assets, net" and "Deferred operating lease income receivable" on the Company's consolidated balance sheets. The classifications of liabilities are primarily within "Debt obligations, net" and "Accounts payable, accrued expenses and other liabilities" on the Company's consolidated balance sheets. The liabilities of these VIEs are non-recourse to the Company and can only be satisfied from each VIE's respective assets. The Company has provided no financial support to VIEs that it was not previously contractually required to provide and did not have any unfunded commitments related to consolidated VIEs as of March 31, 2025.

Safehold Inc.
Notes to Consolidated Financial Statements
(unaudited)

Note 3—Summary of Significant Accounting Policies

Significant Accounting Policies

Fair Values—The Company is required to disclose fair value information with regard to its financial instruments, whether or not recognized in the consolidated balance sheets, for which it is practical to estimate fair value. The Financial Accounting Standards Board (“FASB”) guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The following fair value hierarchy prioritizes the inputs to be used in valuation techniques to measure fair value: Level 1: unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities; Level 2: quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability; and Level 3: prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity). The Company determines the estimated fair values of financial assets and liabilities based on a hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the Company and the Company’s own assumptions about market participant assumptions.

The following table presents the carrying value and fair value for the Company’s financial instruments (\$ in millions):

	<u>As of March 31, 2025</u>		<u>As of December 31, 2024</u>	
	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Assets				
Net investment in sales-type leases ⁽¹⁾	\$ 3,472	\$ 3,525	\$ 3,455	\$ 3,680
Ground Lease receivables ⁽¹⁾	1,854	1,964	1,833	2,043
Loans receivable, net - related party ⁽¹⁾	113	114	112	115
Cash and cash equivalents ⁽²⁾	17	17	8	8
Restricted cash ⁽²⁾	9	9	9	9
Liabilities				
Debt obligations, net ⁽¹⁾				
Level 1	1,427	1,360	1,426	1,335
Level 3	2,914	2,379	2,891	2,351
Total debt obligations, net	<u>4,341</u>	<u>3,739</u>	<u>4,317</u>	<u>3,686</u>

- (1) The fair value of the Company’s net investment in sales-type leases, Ground Lease receivables and loans receivable, net – related party are classified as Level 3 within the fair value hierarchy. The fair value of the Company’s debt obligations traded in secondary markets are classified as Level 1 within the fair value hierarchy and the fair value of the Company’s debt obligations not traded in secondary markets are classified as Level 3 within the fair value hierarchy.
- (2) The Company determined the carrying values of its cash and cash equivalents and restricted cash approximated their fair values and are classified as Level 1 within the fair value hierarchy.

Redeemable Noncontrolling Interests—In February 2022, the Company sold 108,571 Caret units of Portfolio Holdings (refer to Note 12) for \$19.0 million to third-party investors and received a commitment from an existing shareholder (which was affiliated with one of the Company’s independent directors) for the purchase of 28,571 Caret units for \$5.0 million (which did not close). As part of the sale, the Company agreed to use commercially reasonable efforts to provide public market liquidity for such Caret units by seeking to provide a listing of the Caret units, or securities into which they may be exchanged, within two years of the sale. 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 by Portfolio Holdings at their original purchase price less the amount of distributions previously made on

Safehold Inc.
Notes to Consolidated Financial Statements
(unaudited)

such units. During the three months ended March 31, 2024, the redemption option was extended to April 2024. In April 2024, all of the investors in the February 2022 transaction exercised this right and elected to have their Caret units redeemed at the original purchase price less the amount of distributions previously made on such units.

The Company classified these redeemable Caret units in accordance with Accounting Standards Codification (“ASC”) 480: Distinguishing Liabilities from Equity. ASC 480-10-S99-3A requires that equity securities redeemable at the option of the holder be classified outside of permanent stockholders’ equity. The Company classified redeemable Caret units as “Redeemable noncontrolling interests” in its consolidated balance sheets and consolidated statements of changes in equity. The redeemable noncontrolling interest’s carrying amount was equal to the higher of (i) the initial carrying amount, increased or decreased for the redeemable noncontrolling interest’s share of net income or loss and dividends; or (ii) the redemption value.

Note 4—Net Investment in Sales-type Leases and Ground Lease Receivables

The Company classifies certain of its Ground Leases as sales-type leases and records the leases within “Net investment in sales-type leases” on the Company’s consolidated balance sheets and records interest income in “Interest income from sales-type leases” in the Company’s consolidated statements of operations. In addition, the Company may enter into transactions whereby it acquires land and enters into Ground Leases directly with the seller. These Ground Leases qualify as sales-type leases and, as such, do not qualify for sale leaseback accounting and are accounted for as financing receivables in accordance with ASC 310 - Receivables and are included in “Ground Lease receivables” on the Company’s consolidated balance sheets. The Company records interest income from Ground Lease receivables in “Interest income from sales-type leases” in the Company’s consolidated statements of operations.

In May 2023, the Company entered into a joint venture with a sovereign wealth fund, which is also an existing shareholder, focused on new acquisitions for certain Ground Lease investments. The Company committed approximately \$275 million for a 55% controlling interest in the joint venture and the sovereign wealth fund committed approximately \$225 million for a 45% noncontrolling interest in the joint venture. Each party’s commitment is discretionary. The joint venture is a voting interest entity and the Company consolidates the joint venture in its financial statements due to its controlling interest. The Company receives a management fee, measured on an asset-by-asset basis, equal to 25 basis points on invested equity for such asset for the first five years following its acquisition, and 15 basis points on invested equity thereafter. The Company will also receive a promote of 15% over a 9% internal rate of return, subject to a 1.275x multiple on invested capital. On August 30, 2024, the Company acquired its partners’ share of the outstanding commitment for all existing Ground Leases in the venture for \$48.3 million. The excess of the purchase price and related transaction costs over the carrying value of \$46.0 million was recorded as a reduction to additional paid-in capital in the Company’s consolidated statement of changes in equity. Since formation through August 30, 2024, the joint venture acquired nine Ground Leases for an aggregate purchase price of \$170.4 million, of which \$101.2 million had been funded as of August 30, 2024. The venture remains in place, and the partner's participation right in certain qualifying Ground Lease investment opportunities expired on September 30, 2024.

In January 2024, the Company acquired a Ground Lease from the Ground Lease Plus Fund for \$38.3 million, excluding amounts funded by the Company pursuant to a leasehold improvement allowance (refer to Note 7 and Note 14).

Safehold Inc.
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(unaudited)

The Company's net investment in sales-type leases were comprised of the following (\$ in thousands):

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Total undiscounted cash flows ⁽¹⁾	\$ 32,956,740	\$ 32,934,705
Unguaranteed estimated residual value ⁽¹⁾	3,039,649	3,039,649
Present value discount	(32,516,739)	(32,512,580)
Allowance for credit losses	(7,697)	(6,821)
Net investment in sales-type leases	<u>\$ 3,471,953</u>	<u>\$ 3,454,953</u>

(1) As of March 31, 2025, total discounted cash flows were approximately \$3,447 million and the discounted unguaranteed estimated residual value was \$32.3 million. As of December 31, 2024, total discounted cash flows were approximately \$3,430 million and the discounted unguaranteed estimated residual value was \$32.0 million.

The following table presents a rollforward of the Company's net investment in sales-type leases and Ground Lease receivables for the three months ended March 31, 2025 and 2024 (\$ in thousands):

	<u>Net Investment in Sales-type Leases</u>	<u>Ground Lease Receivables</u>	<u>Total</u>
Three Months Ended March 31, 2025			
Beginning balance	\$ 3,454,953	\$ 1,833,398	\$ 5,288,351
Origination/acquisition/fundings ⁽¹⁾	2,060	13,972	16,032
Accretion	15,815	8,574	24,389
(Provision for) recovery of credit losses	(875)	(1,549)	(2,424)
Ending balance ⁽²⁾	<u>\$ 3,471,953</u>	<u>\$ 1,854,395</u>	<u>\$ 5,326,348</u>
Three Months Ended March 31, 2024			
Beginning balance	\$ 3,255,195	\$ 1,622,298	\$ 4,877,493
Origination/acquisition/fundings ⁽¹⁾	71,978	32,158	104,136
Accretion	14,927	6,930	21,857
(Provision for) recovery of credit losses	(442)	(323)	(765)
Ending balance ⁽²⁾	<u>\$ 3,341,658</u>	<u>\$ 1,661,063</u>	<u>\$ 5,002,721</u>

(1) The net investment in sales-type leases is initially measured at the present value of the fixed and determinable lease payments, including any guaranteed or unguaranteed estimated residual value of the asset at the end of the lease, discounted at the rate implicit in the lease. For newly originated or acquired Ground Leases, the Company's estimate of residual value equals the fair value of the land at lease commencement.

(2) As of March 31, 2025 and December 31, 2024, all of the Company's net investment in sales-type leases and Ground Lease receivables were current in their payment status. As of March 31, 2025, the Company's weighted average accrual rate for its net investment in sales-type leases and Ground Lease receivables was 5.3% and 5.6%, respectively. As of March 31, 2025, the weighted average remaining life of the Company's 41 Ground Lease receivables was 97.0 years.

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Allowance for Credit Losses—Changes in the Company’s allowance for credit losses on net investment in sales-type leases for the three months ended March 31, 2025 and 2024 were as follows (\$ in thousands):

	Net investment in sales-type leases			
	Stabilized Properties	Development Properties	Unfunded Commitments	Total
Three Months Ended March 31, 2025				
Allowance for credit losses at beginning of period	\$ 6,385	\$ 436	\$ —	\$ 6,821
Provision for (recovery of) credit losses ⁽¹⁾	843	33	—	876
Allowance for credit losses at end of period⁽²⁾	\$ 7,228	\$ 469	\$ —	\$ 7,697
Three Months Ended March 31, 2024				
Allowance for credit losses at beginning of period	\$ 387	\$ 78	\$ —	\$ 465
Provision for (recovery of) credit losses ⁽¹⁾	325	117	11	453
Allowance for credit losses at end of period⁽²⁾	\$ 712	\$ 195	\$ 11	\$ 918

- (1) During the three months ended March 31, 2025, the Company recorded a provision for credit losses on net investment in sales-type leases of \$0.9 million. The provision for credit losses for the three months ended March 31, 2025 was due primarily to current market conditions, including an increase in the Ground Lease cost to value ratio on the Company’s portfolio of Ground Leases since December 31, 2024, and growth in the carrying value of the portfolio during the period. During the three months ended March 31, 2024, the Company recorded a provision for credit losses on net investment in sales-type leases of \$0.5 million. The provision for credit losses was due primarily to current market conditions, including an increase in the Ground Lease cost to value ratio on the Company’s portfolio of Ground Leases since December 31, 2023.
- (2) Allowance for credit losses on unfunded commitments is recorded in “Accounts payable and accrued expenses” on the Company’s consolidated balance sheets.

Changes in the Company’s allowance for credit losses on Ground Lease receivables for the three months ended March 31, 2025 and 2024 were as follows (\$ in thousands):

	Ground Lease receivables			
	Stabilized Properties	Development Properties	Unfunded Commitments	Total
Three Months Ended March 31, 2025				
Allowance for credit losses at beginning of period	\$ 2,652	\$ 1,012	\$ 37	\$ 3,701
Provision for (recovery of) credit losses ⁽¹⁾	1,464	85	(11)	1,538
Allowance for credit losses at end of period⁽²⁾	\$ 4,116	\$ 1,097	\$ 26	\$ 5,239
Three Months Ended March 31, 2024				
Allowance for credit losses at beginning of period	\$ 123	\$ 246	\$ 37	\$ 406
Provision for (recovery of) credit losses ⁽¹⁾	111	212	1	324
Allowance for credit losses at end of period⁽²⁾	\$ 234	\$ 458	\$ 38	\$ 730

- (1) During the three months ended March 31, 2025, the Company recorded a provision for credit losses on Ground Lease receivables of \$1.5 million. The provision for credit losses for the three months ended March 31, 2025 was due primarily to current market conditions, including an increase in the Ground Lease cost to value ratio on the Company’s portfolio of Ground Leases since December 31, 2024, and growth in the carrying value of the portfolio during the period. During the three months ended March 31, 2024, the Company recorded a provision for credit losses on Ground Lease receivables of \$0.3 million. The provision for credit losses was due primarily to current market conditions, including an increase in the Ground Lease cost to value ratio on the Company’s portfolio of Ground Leases since December 31, 2023.
- (2) Allowance for credit losses on unfunded commitments is recorded in “Accounts payable and accrued expenses” on the Company’s consolidated balance sheets.

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The Company's amortized cost basis in net investment in sales-type leases and Ground Lease receivables, presented by year of origination and by stabilized or development status, was as follows as of March 31, 2025 (\$ in thousands):

	Year of Origination						Total
	2025	2024	2023	2022	2021	Prior to 2021	
Net investment in sales-type leases							
Stabilized properties	\$ —	\$ 35,917	\$ 50,453	\$ 656,569	\$ 1,103,117	\$ 1,310,588	\$ 3,156,644
Development properties	—	112,050	22,168	38,663	121,977	28,148	323,006
Total	\$ —	\$ 147,967	\$ 72,621	\$ 695,232	\$ 1,225,094	\$ 1,338,736	\$ 3,479,650

	Year of Origination						Total
	2025	2024	2023	2022	2021	Prior to 2021	
Ground Lease receivables							
Stabilized properties	\$ —	\$ —	\$ 19,629	\$ 156,672	\$ 201,735	\$ 646,113	\$ 1,024,149
Development properties	—	101,132	24,533	630,802	78,992	—	835,459
Total	\$ —	\$ 101,132	\$ 44,162	\$ 787,474	\$ 280,727	\$ 646,113	\$ 1,859,608

The Company's amortized cost basis in net investment in sales-type leases and Ground Lease receivables, presented by year of origination and by stabilized or development status, was as follows as of December 31, 2024 (\$ in thousands):

	Year of Origination					Prior to 2020	Total
	2024	2023	2022	2021	2020		
Net investment in sales-type leases							
Stabilized properties	\$ 35,730	\$ 50,191	\$ 653,702	\$ 1,096,444	\$ 214,396	\$ 1,089,992	\$ 3,140,455
Development properties	111,329	22,062	38,488	121,412	—	28,028	321,319
Total	\$ 147,059	\$ 72,253	\$ 692,190	\$ 1,217,856	\$ 214,396	\$ 1,118,020	\$ 3,461,774

	Year of Origination					Prior to 2020	Total
	2024	2023	2022	2021	2020		
Ground Lease receivables							
Stabilized properties	\$ —	\$ 19,524	\$ 155,921	\$ 200,819	\$ 184,071	\$ 458,982	\$ 1,019,317
Development properties	87,601	23,487	628,029	78,628	—	—	817,745
Total	\$ 87,601	\$ 43,011	\$ 783,950	\$ 279,447	\$ 184,071	\$ 458,982	\$ 1,837,062

Future Minimum Lease Payments under Sales-type Leases—Future minimum lease payments to be collected under sales-type leases accounted for under ASC 842 - Leases, excluding lease payments that are not fixed and determinable, in effect as of March 31, 2025, are as follows by year (\$ in thousands):

	Fixed Bumps with Inflation Adjustments	Fixed Bumps	Fixed Bumps with Percentage Rent	Total
2025 (remaining nine months)	\$ 89,535	\$ 3,899	\$ 439	\$ 93,873
2026	112,523	5,696	586	118,805
2027	114,558	6,378	586	121,522
2028	116,594	6,595	637	123,826
2029	119,189	6,724	644	126,557
Thereafter	30,161,729	2,112,039	98,389	32,372,157
Total undiscounted cash flows	\$ 30,714,128	\$ 2,141,331	\$ 101,281	\$ 32,956,740

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During the three months ended March 31, 2025 and 2024, the Company recognized interest income from sales-type leases in its consolidated statements of operations as follows (\$ in thousands):

Three Months Ended March 31, 2025	Net Investment in Sales-type Leases	Ground Lease Receivables	Total
Cash	\$ 28,903	\$ 16,372	\$ 45,275
Non-cash	15,815	8,574	24,389
Total interest income from sales-type leases	<u>\$ 44,718</u>	<u>\$ 24,946</u>	<u>\$ 69,664</u>

Three Months Ended March 31, 2024	Net Investment in Sales-type Leases	Ground Lease Receivables	Total
Cash	\$ 27,270	\$ 14,091	\$ 41,361
Non-cash	14,927	6,930	21,857
Total interest income from sales-type leases	<u>\$ 42,197</u>	<u>\$ 21,021</u>	<u>\$ 63,218</u>

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Note 5—Real Estate, Real Estate-Related Intangibles and Real Estate Available and Held for Sale

The Company's real estate assets consist of the following (\$ in thousands):

	As of	
	March 31, 2025	December 31, 2024
Land and land improvements, at cost	\$ 547,739	\$ 547,739
Buildings and improvements, at cost	193,232	193,232
Less: accumulated depreciation	(47,935)	(46,428)
Total real estate, net	\$ 693,036	\$ 694,543
Real estate-related intangible assets, net	207,350	208,731
Real estate available and held for sale	5,894	7,233
Total real estate, net and real estate-related intangible assets, net and real estate available and held for sale	<u>\$ 906,280</u>	<u>\$ 910,507</u>

Real estate-related intangible assets, net consist of the following items (\$ in thousands):

	As of March 31, 2025		
	Gross Intangible	Accumulated Amortization	Carrying Value
Above-market lease assets, net ⁽¹⁾	\$ 186,002	\$ (22,307)	\$ 163,695
In-place lease assets, net ⁽²⁾	69,631	(26,672)	42,959
Other intangible assets, net	750	(54)	696
Total	<u>\$ 256,383</u>	<u>\$ (49,033)</u>	<u>\$ 207,350</u>

	As of December 31, 2024		
	Gross Intangible	Accumulated Amortization	Carrying Value
Above-market lease assets, net ⁽¹⁾	\$ 186,002	\$ (21,524)	\$ 164,478
In-place lease assets, net ⁽²⁾	69,631	(26,076)	43,555
Other intangible assets, net	750	(52)	698
Total	<u>\$ 256,383</u>	<u>\$ (47,652)</u>	<u>\$ 208,731</u>

- (1) Above-market lease assets are recognized during asset acquisitions when the present value of market rate rental cash flows over the term of a lease is less than the present value of the contractual in-place rental cash flows. Above-market lease assets are amortized over the non-cancelable term of the leases.
- (2) In-place lease assets are recognized during asset acquisitions and are estimated based on the value associated with the costs avoided in originating leases comparable to the acquired in-place leases as well as the value associated with lost rental revenue during the assumed lease-up period. In-place lease assets are amortized over the non-cancelable term of the leases.

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The amortization of real estate-related intangible assets had the following impact on the Company's consolidated statements of operations for the three months ended March 31, 2025 and 2024 (\$ in thousands):

<u>Intangible asset</u>	<u>Income Statement Location</u>	<u>For the Three Months Ended March 31,</u>	
		<u>2025</u>	<u>2024</u>
Above-market lease assets (decrease to income)	Operating lease income	\$ 784	\$ 784
In-place lease assets (decrease to income)	Depreciation and amortization	595	876
Other intangible assets (decrease to income)	Operating lease income	2	2

The estimated amortization of real estate-related intangible assets for each of the five succeeding fiscal years is as follows (\$ in thousands):⁽¹⁾

<u>Year</u>	<u>Amount</u>
2025 (remaining nine months)	\$ 4,143
2026	3,529
2027	3,529
2028	3,522
2029	3,522

- (1) As of March 31, 2025, the weighted average amortization period for the Company's real estate-related intangible assets was approximately 81.4 years.

Real estate-related intangible liabilities, net consist of the following items (\$ in thousands):

	<u>As of March 31, 2025</u>		
	<u>Gross Intangible</u>	<u>Accumulated Amortization</u>	<u>Carrying Value</u>
Below-market lease liabilities ⁽¹⁾	\$ 68,618	\$ (5,904)	\$ 62,714

	<u>As of December 31, 2024</u>		
	<u>Gross Intangible</u>	<u>Accumulated Amortization</u>	<u>Carrying Value</u>
Below-market lease liabilities ⁽¹⁾	\$ 68,618	\$ (5,696)	\$ 62,922

- (1) Below-market lease liabilities are recognized during asset acquisitions when the present value of market rate rental cash flows over the term of a lease exceeds the present value of the contractual in-place rental cash flows. Below-market lease liabilities are amortized over the non-cancelable term of the leases.

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The amortization of real estate-related intangible liabilities had the following impact on the Company’s consolidated statements of operations for the three months ended March 31, 2025 and 2024 (\$ in thousands):

Intangible liability	Income Statement Location	For the Three Months Ended March 31,	
		2025	2024
Below-market lease liabilities (increase to income)	Operating lease income	\$ 208	\$ 208

Future Minimum Operating Lease Payments—Future minimum lease payments to be collected under non-cancelable operating leases, excluding lease payments that are not fixed and determinable, in effect as of March 31, 2025, are as follows by year (\$ in thousands):

Year	Inflation-Linked	Fixed Bumps with Inflation Adjustments	Fixed Bumps	Percentage Rent ⁽¹⁾	Fixed Bumps with Percentage Rent	Total
2025 (remaining nine months)	\$ 4,355	\$ 13,603	\$ 1,738	\$ 9,135	\$ 316	\$ 29,147
2026	5,807	18,469	2,357	7,399	421	34,453
2027	5,807	18,856	2,388	7,399	421	34,871
2028	5,807	19,203	2,421	7,399	304	35,134
2029	5,807	19,558	2,453	7,399	—	35,217
Thereafter	423,318	4,287,241	428,235	28,105	—	5,166,899

(1) During the three months ended March 31, 2025 and 2024, the Company recognized \$4.9 million and \$4.6 million, respectively, of percentage rent in “Operating lease income” in the Company’s consolidated statements of operations.

Note 6—Loan Receivable, net – Related Party

On March 31, 2023, the Company, as lender and as administrative agent, and Star Holdings, as borrower, entered into a senior secured term loan facility, which was amended on October 4, 2023 and March 28, 2025, in an aggregate principal amount of \$115.0 million (the “Secured Term Loan Facility”) and an additional commitment amount of up to \$25.0 million at Star Holding’s election (the “Incremental Term Loan Facility”, together with the Secured Term Loan Facility, as amended, the “Star Holdings Term Loan Facility”). During the three months ended March 31, 2025 and 2024, the Company recorded \$2.3 million and \$2.4 million, respectively, of interest income on the Star Holdings Term Loan Facility, which is recorded in “Interest income – related party” in the Company’s consolidated statements of operations. As of each of March 31, 2025 and December 31, 2024, the Star Holdings Term Loan Facility had a principal balance of \$115.0 million.

The Star Holdings Term Loan Facility is a secured credit facility. Borrowings under the Star Holdings Term Loan Facility bear interest at a fixed rate of 8.00% per annum, which may increase to 10.00% per annum if any loans remain outstanding under the Incremental Term Loan Facility. On March 28, 2025, the Company and Star Holdings entered into an amendment to the Star Holdings Term Loan Facility that extended the maturity date by one year to March 31, 2028, provides that Star Holdings may re-borrow amounts that have been repaid on the Incremental Term Loan Facility and permits Star Holdings to repurchase up to \$10.0 million in shares of its common stock, subject to certain conditions. The Star Holdings Term Loan Facility is secured by a first-priority perfected security pledge of all the equity interests in Star Holding’s primary real estate subsidiary. Starting in the first quarter of 2024, within five business days after Star Holdings has delivered its unaudited quarterly financial statements, Star Holdings must apply any unrestricted cash on its balance sheet in excess of the aggregate of (i) an operating reserve; and (ii) \$50 million, to prepay the Star Holdings Term Loan Facility or alternatively, with the consent of the Company, Star Holdings may apply such cash to prepay its margin loan facility in lieu of any prepayment of the Star Holdings Term Loan Facility. The operating reserve will be calculated quarterly and is equal to the aggregate of projected operating expenses (including payments to the Star Holdings local property consultants but excluding management fees and public company costs), projected land carry costs, projected

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capital expenditure and projected interest expense on the margin loan facility with Morgan Stanley Bank, N.A., which is secured by Star Holdings' shares of the Company's common stock, and the Star Holdings Term Loan Facility for the next twelve months; less the projected operating revenues for the next twelve months consistent with the operating budget approved by the Company.

The Star Holdings Term Loan Facility contains certain customary covenants, including affirmative covenants on reporting, maintenance of property, continued ownership of interests in the Company as well as negative covenants relating to investments, indebtedness and liens, fundamental changes, asset dispositions, repayments, distributions and affiliate transactions. Furthermore, the Star Holdings Term Loan Facility contains customary events of default, including payment defaults, failure to perform covenants, cross-default and cross acceleration to other indebtedness, including the margin loan facility, impairment of security interests and change of control.

During the three months ended March 31, 2025 and 2024, the Company recorded a recovery of credit losses of \$0.1 million and \$0.1 million, respectively, on the Star Holdings Term Loan Facility, including amounts on the Incremental Term Loan Facility, which was undrawn as of March 31, 2025 and December 31, 2024. The Company did not have any accrued interest receivable from the Star Holdings Term Loan Facility as of March 31, 2025 and December 31, 2024. The Company did not reverse any accrued interest on its loan asset during the three months ended March 31, 2025 and 2024.

Note 7—Equity Investments

The Company's equity investments and its proportionate share of earnings (losses) from equity investments were as follows (\$ in thousands):

	Carrying Value as of		Earnings (losses) from Equity Method Investments For The Three Months Ended March 31,	
	March 31, 2025	December 31, 2024	2025	2024
Equity investment				
425 Park Avenue	\$ 137,958	\$ 137,348	\$ 886	\$ 879
32 Old Slip	58,879	57,574	1,430	1,425
Ground Lease Plus Fund ⁽¹⁾	30,258	30,103	484	889
Leasehold Loan Fund ⁽²⁾	18,863	25,009	2,192	3,719
Total	<u>\$ 245,958</u>	<u>\$ 250,034</u>	<u>\$ 4,992</u>	<u>\$ 6,912</u>

- (1) As of March 31, 2025, the Company has a basis difference of \$19.5 million in the Ground Lease Plus Fund that will be amortized over a weighted average remaining term of 105.3 years using the effective interest method. During the three months ended March 31, 2025 and 2024, (\$0.1) million and \$0.2 million, respectively, of the basis difference was amortized as a (decrease) increase to earnings from equity method investments.
- (2) As of March 31, 2025, the Company has a basis difference of \$5.8 million in the Leasehold Loan Fund that will be amortized over a weighted average remaining term of 2.0 years using the effective interest method. During the three months ended March 31, 2025 and 2024, \$0.7 million and \$1.0 million, respectively, of the basis difference was amortized as an increase to earnings from equity method investments.

425 Park Avenue—In August 2019, the Company formed a venture with a sovereign wealth fund that is an existing shareholder of the Company to acquire the existing Ground Lease at 425 Park Avenue in New York City. The venture acquired the Ground Lease in November 2019. The Company has a 54.8% noncontrolling equity interest in the venture and is the manager of the venture.

32 Old Slip—In June 2021, the Company acquired a 29.2% noncontrolling equity interest in a Ground Lease at an office property in New York City.

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Ground Lease Plus Fund—The Company manages a fund that targets the origination and acquisition of Ground Leases for commercial real estate projects that are in a pre-development phase (the “Ground Lease Plus Fund”). The Company owns a 53.2% noncontrolling equity interest in the Ground Lease Plus Fund. The Company does not have a controlling interest in the Ground Lease Plus Fund due to the substantive participating rights of its partner and accounts for this investment as an equity method investment. The Company receives a fee from its partner in exchange for managing the entity and is also entitled to a promote payment on investments in the Ground Lease Plus Fund.

In November 2021, iStar acquired land for \$33.3 million and simultaneously structured and entered into a Ground Lease on which a multi-family project will be constructed (refer also to Note 14). In December 2021, iStar sold the Ground Lease to the Ground Lease Plus Fund and recognized no gain or loss on the sale. At the time of iStar’s acquisition in November 2021, the Company and iStar entered into an agreement pursuant to which the Company would acquire the land and related Ground Lease from the Ground Lease Plus Fund when certain construction related conditions are met by a specified time period. In January 2024, the Company acquired the Ground Lease from the Ground Lease Plus Fund for \$38.3 million, excluding amounts funded by the Company pursuant to a leasehold improvement allowance (refer to Note 14).

Leasehold Loan Fund—The Company manages a fund that targets customers that may require a mortgage leasehold loan as well as a Ground Lease (the “Leasehold Loan Fund”). The Company owns a 53.2% noncontrolling equity interest in the Leasehold Loan Fund. The Company does not have a controlling interest in the Leasehold Loan Fund due to the substantive participating rights of its partner. The Company accounts for this investment as an equity method investment and receives a fixed annual administrative fee and an asset management fee from its partner in exchange for managing the entity. The Company is also entitled to a promote payment on certain investments in the Leasehold Loan Fund.

In February 2022, the Leasehold Loan Fund committed to provide a \$130.0 million loan to the ground lessee of a Ground Lease originated by the Company. The loan was for the Ground Lease tenant’s recapitalization of a life science property. As of March 31, 2025, the Leasehold Loan Fund funded \$4.7 million of the commitment.

In June 2022, the Leasehold Loan Fund committed to provide a \$105.0 million loan to the ground lessee of a Ground Lease originated by the Company. The loan was for the Ground Lease tenant’s recapitalization of a mixed-use property. As of March 31, 2025, the Leasehold Loan Fund funded \$42.4 million of the commitment.

In July 2024, the Leasehold Loan Fund committed to provide a \$31.5 million loan to the ground lessee of a Ground Lease originated by the Company. The loan was for the Ground Lease tenant’s construction of a student housing property. As of March 31, 2025, the Leasehold Loan Fund funded \$1.4 million of the commitment.

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Note 8—Deferred Expenses and Other Assets, Net and Accounts Payable, Accrued Expenses and Other Liabilities

Deferred expenses and other assets, net, consist of the following items (\$ in thousands):

	As of	
	March 31, 2025	December 31, 2024
Operating lease right-of-use asset ⁽¹⁾	\$ 28,594	\$ 29,707
Interest rate hedge assets	30,650	45,439
Deferred finance costs, net ⁽²⁾	15,215	16,471
Other assets ⁽³⁾	14,047	12,278
Purchase deposits	—	42
Leasing costs, net	429	431
Corporate furniture, fixtures and equipment, net	598	647
Deferred expenses and other assets, net	<u>\$ 89,533</u>	<u>\$ 105,015</u>

- (1) Operating lease right-of-use asset (and operating lease liability below) relates primarily to a property that is majority-owned by a third party and is ground leased to the Company. The Company is obligated to pay the owner of the property \$0.5 million, subject to adjustment for changes in the CPI, per year through 2044; however, the Company's Ground Lease tenant at the property pays this expense directly under the terms of a master lease. Operating lease right-of-use asset is amortized on a straight-line basis over the term of the lease and is recorded in "Real estate expense" in the Company's consolidated statements of operations. During both the three months ended March 31, 2025 and 2024, the Company recognized \$0.1 million in "Real estate expense" and \$0.1 million in "Other income" from its operating lease right-of-use asset. The related operating lease liability (see table below) equals the present value of the minimum rental payments due under the lease discounted at the Company's incremental secured borrowing rate for a similar asset estimated to be 5.5%. The Company also has operating leases for office space.
- (2) Accumulated amortization of deferred finance costs was \$4.7 million and \$3.5 million as of March 31, 2025 and December 31, 2024, respectively.
- (3) As of March 31, 2025 and December 31, 2024, includes \$3.5 million and \$3.7 million, respectively, of management fees due from Star Holdings. Through March 31, 2025, the Company has earned \$39.8 million of management fees from Star Holdings and as of March 31, 2025, \$10.2 million of the transaction price is attributable to performance obligations that remain unsatisfied.

Accounts payable, accrued expenses and other liabilities consist of the following items (\$ in thousands):

	As of	
	March 31, 2025	December 31, 2024
Interest payable	\$ 97,782	\$ 87,854
Other liabilities	17,361	17,105
Dividends declared and payable	13,449	13,307
Operating lease liabilities ⁽¹⁾	8,980	10,374
Accrued expenses ⁽²⁾	6,409	16,351
Accounts payable, accrued expenses and other liabilities	<u>\$ 143,981</u>	<u>\$ 144,991</u>

- (1) Refer to Note 10.
- (2) As of March 31, 2025 and December 31, 2024, accrued expenses includes accrued compensation, legal, audit and property expenses.

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Note 9—Debt Obligations, net

The Company’s outstanding debt obligations consist of the following (\$ in thousands):

	As of		Interest Rate ⁽¹⁾	Scheduled Maturity Date ⁽²⁾
	March 31, 2025	December 31, 2024		
Secured credit financing:				
Mortgages	\$ 1,498,113	\$ 1,498,113	3.99 %	April 2027 to November 2069
Total secured credit financing⁽³⁾	1,498,113	1,498,113		
Unsecured financing:				
2.80% senior notes	400,000	400,000	2.80 %	June 2031
2.85% senior notes	350,000	350,000	2.85 %	January 2032
6.10% senior notes	300,000	300,000	6.10 %	April 2034
5.65% senior notes	400,000	400,000	5.65 %	January 2035
3.98% senior notes	475,000	475,000	3.98 %	February 2052
5.15% senior notes	160,204	160,204	5.15 %	May 2052
2024 Unsecured Revolver	712,000	689,000	Adjusted SOFR plus 0.85 %	May 2029
Trust preferred securities	100,000	100,000	Adjusted SOFR plus 1.50 %	October 2035
Total unsecured financing	2,897,204	2,874,204		
Total debt obligations	4,395,317	4,372,317		
Debt premium, discount and deferred financing costs, net	(53,833)	(54,878)		
Total debt obligations, net	\$ 4,341,484	\$ 4,317,439		

- (1) For mortgages, represents the weighted average stated interest rate over the term of the debt from funding through maturity based on the contractual payments owed excluding the effect of debt premium, discount and deferred financing costs. As of March 31, 2025, the weighted average cash interest rate for the Company’s consolidated mortgage debt, based on interest rates in effect at that date, was 3.42%. The difference between the weighted average interest rate and the weighted average cash interest rate is recorded to interest payable within “Accounts payable, accrued expenses, and other liabilities” on the Company’s consolidated balance sheets. As of March 31, 2025, the Company’s combined weighted average stated interest rate and combined weighted average cash interest rate of the Company’s consolidated mortgage debt, the mortgage debt of the Company’s unconsolidated ventures (applying the Company’s percentage interest in the ventures - refer to Note 7), unsecured senior notes and trust preferred securities were 4.18% and 3.80%, respectively.
- (2) Represents the extended maturity date for all debt obligations.
- (3) As of March 31, 2025, \$2.1 billion of real estate, at cost, net investment in sales-type leases and Ground Lease receivables served as collateral for the Company’s debt obligations.

Mortgages—Mortgages consist of asset specific non-recourse borrowings that are secured by the Company’s real estate and Ground Leases. As of March 31, 2025, the Company’s mortgages are full term interest only, bear interest at a weighted average interest rate of 3.99% and have maturities between April 2027 and November 2069.

Unsecured Notes—In May 2021, Portfolio Holdings, then known as Safehold Operating Partnership LP, (as issuer) and the Company (as guarantor), issued \$400.0 million aggregate principal amount of 2.80% senior notes due June 2031 (the “2.80% Notes”). The 2.80% Notes were issued at 99.127% of par. The Company may redeem the 2.80% Notes in whole at any time or in part from time to time prior to March 15, 2031, at the Company’s option and sole discretion, at a redemption price equal to the greater of: (i) 100% of the principal amount of the 2.80% Notes being redeemed; and (ii) a make-whole premium calculated in accordance with the indenture, plus, in each case, accrued and unpaid interest thereon to, but not including, the applicable redemption date. If the 2.80% Notes are redeemed on or after March 15, 2031, the

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redemption price will be equal to 100% of the principal amount of the 2.80% Notes being redeemed, plus accrued and unpaid interest thereon to, but not including, the applicable redemption date.

In November 2021, Portfolio Holdings, then known as Safehold Operating Partnership LP, (as issuer) and the Company (as guarantor), issued \$350.0 million aggregate principal amount of 2.85% senior notes due January 2032 (the “2.85% Notes”). The 2.85% Notes were issued at 99.123% of par. The Company may redeem the 2.85% Notes in whole at any time or in part from time to time prior to October 15, 2031, at the Company’s option and sole discretion, at a redemption price equal to the greater of: (i) 100% of the principal amount of the 2.85% Notes being redeemed; and (ii) a make-whole premium calculated in accordance with the indenture, plus, in each case, accrued and unpaid interest thereon to, but not including, the applicable redemption date. If the 2.85% Notes are redeemed on or after October 15, 2031, the redemption price will be equal to 100% of the principal amount of the 2.85% Notes being redeemed, plus accrued and unpaid interest thereon to, but not including, the applicable redemption date.

In January 2022, Portfolio Holdings, then known as Safehold Operating Partnership LP, (as issuer) and the Company (as guarantor), issued \$475.0 million aggregate principal amount of privately-placed 3.98% senior notes due February 2052 (the “3.98% Notes”). Safehold Operating Partnership LP elected to draw these funds in March 2022. The Company may, at its option, prepay at any time all, or from time to time any part of, the 3.98% Notes, in an amount not less than 5% of the aggregate principal amount of the 3.98% Notes then outstanding in the case of a partial prepayment, at 100% of the principal amount so prepaid, and the applicable make-whole amount calculated in accordance with the indenture, for such tranche determined for the prepayment date with respect to such principal amount; provided, that, so long as no default or event of default shall then exist, at any time on or after November 15, 2051, the Company may, at its option, prepay all or any part of the 3.98% Notes at 100% of the principal amount so prepaid, together with, in each case, accrued interest to the prepayment date, without any make-whole amount.

In May 2022, Portfolio Holdings, then known as Safehold Operating Partnership LP, (as issuer) and the Company (as guarantor), issued \$150.0 million aggregate principal amount of privately-placed 5.15% senior notes due May 2052 (the “5.15% Notes”). The structure of the 5.15% Notes features a staircase coupon rate in which the Company will pay cash interest at a rate of 2.50% in years 1 through 10, 3.75% in years 11 through 20, and 5.15% in years 21 through 30. The difference between the 5.15% stated rate and the cash interest rate will accrue in each semi-annual payment period and be paid in kind by adding such accrued interest to the outstanding principal balance, to be repaid at maturity in May 2052. The Company may, at its option, prepay at any time all, or from time to time any part of, the 5.15% Notes, in an amount not less than 5% of the aggregate principal amount of the 5.15% Notes then outstanding in the case of a partial prepayment, at 100% of the principal amount so prepaid, and the applicable make-whole amount calculated in accordance with the indenture; provided, that, so long as no default or event of default shall then exist, at any time on or after February 13, 2052, the Company may, at its option, prepay all or any part of the 5.15% Notes at 100% of the principal amount so prepaid, together with, in each case, accrued interest to the prepayment date, without any make-whole amount.

In February 2024, Portfolio Holdings (as issuer) and the Company (as guarantor) issued \$300.0 million aggregate principal amount of 6.10% senior notes due April 2034 (the “6.10% Notes”). The 6.10% Notes were issued at 98.957% of the principal amount. The Company may redeem the 6.10% Notes in whole at any time or in part from time to time prior to January 1, 2034, at the Company’s option and sole discretion, at a redemption price equal to the greater of: (i) 100% of the principal amount of the 6.10% Notes being redeemed; and (ii) a make-whole premium calculated in accordance with the indenture, plus, in each case, accrued and unpaid interest thereon to, but not including, the applicable redemption date. If the 6.10% Notes are redeemed on or after January 1, 2034, the redemption price will be equal to 100% of the principal amount of the 6.10% Notes being redeemed, plus accrued and unpaid interest thereon to, but not including, the applicable redemption date.

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In November 2024, Portfolio Holdings (as issuer) and the Company (as guarantor) issued \$400.0 million aggregate principal amount of 5.65% senior notes due January 2035 (the “5.65% Notes”). The 5.65% Notes were issued at 98.812% of the principal amount. The Company may redeem the 5.65% Notes in whole at any time or in part from time to time prior to October 15, 2034, at the Company’s option and sole discretion, at a redemption price equal to the greater of: (i) 100% of the principal amount of the 5.65% Notes being redeemed; and (ii) a make-whole premium calculated in accordance with the indenture, plus, in each case, accrued and unpaid interest thereon to, but not including, the applicable redemption date. If the 5.65% Notes are redeemed on or after October 15, 2034, the redemption price will be equal to 100% of the principal amount of the 5.65% Notes being redeemed, plus accrued and unpaid interest thereon to, but not including, the applicable redemption date.

2024 Unsecured Revolver—In April 2024, the Company entered into a \$2.0 billion unsecured revolving credit facility (the “2024 Unsecured Revolver”), which replaced the Company’s 2021 Unsecured Revolver (see below) and 2023 Unsecured Revolver (see below), each of which were terminated. At the time of termination, \$916 million was drawn on the 2021 Unsecured Revolver, all of which rolled over into the 2024 Unsecured Revolver. The 2024 Unsecured Revolver has a borrowing rate of Adjusted SOFR, as defined in the applicable agreement, plus 0.85%, subject to the Company’s credit ratings, with an extended maturity date of May 1, 2029, which includes two six-month extension options. The Company also pays a facility fee of 0.10%, subject to the Company’s credit ratings. As of March 31, 2025, there was \$1.3 billion of undrawn capacity on the 2024 Unsecured Revolver.

2021 Unsecured Revolver—In March 2021, Portfolio Holdings, then known as Safehold Operating Partnership LP, (as borrower) and the Company (as guarantor), entered into an unsecured revolving credit facility with an initial maximum aggregate principal amount of up to \$1.0 billion (the “2021 Unsecured Revolver”), which amount was increased to \$1.35 billion in December 2021. The 2021 Unsecured Revolver had an initial maturity of March 2024 with two 12-month extension options exercisable by the Company, subject to certain conditions, and accrued interest at an annual rate of applicable SOFR plus 0.90%, subject to the Company’s credit ratings. In March 2024, the Company exercised one of its options to extend the maturity to March 2025. The 2024 Unsecured Revolver replaced the 2021 Unsecured Revolver.

2023 Unsecured Revolver—In January 2023, Portfolio Holdings, then known as Safehold Operating Partnership LP (as borrower) and the Company (as guarantor) entered into a \$500 million unsecured revolving credit facility (the “2023 Unsecured Revolver”). The 2023 Unsecured Revolver accrued interest at a rate of Adjusted SOFR, as defined in the applicable agreement, plus 0.90%, subject to the Company’s credit ratings. The 2024 Unsecured Revolver replaced the 2023 Unsecured Revolver.

Trust Preferred Securities—The Company assumed trust preferred securities from iStar in connection with the Merger. The trust preferred securities bear interest at three-month Adjusted Term SOFR plus 1.50% and mature in October 2035.

Commercial Paper Program— In June 2024, Portfolio Holdings, as issuer, entered into a new U.S. commercial paper program (the “Commercial Paper Program”) on a private placement basis, pursuant to which the Company may issue up to \$750.0 million of short-term, unsecured commercial paper notes outstanding at any time, which are guaranteed by the Company.

Under the Commercial Paper Program, the Company may issue the commercial paper notes from time to time and will use the proceeds for general corporate purposes. The Commercial Paper Program is backed by the Company’s 2024 Unsecured Revolver. The commercial paper notes will be sold under customary terms in the commercial paper market and will rank pari passu with all of Portfolio Holding’s other unsecured senior indebtedness. The interest rates will vary based on the ratings assigned to the commercial paper notes by credit rating agencies and market conditions at the

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time of issuance. As of March 31, 2025, the Company had no outstanding balance under the Commercial Paper Program. Borrowings reduce amounts otherwise available under the 2024 Unsecured Revolver.

The documents governing the Commercial Paper Program contain customary representations, warranties, covenants, defaults and indemnification provisions, and provide the terms under which the Notes will be sold pursuant to an exemption from the federal and state securities laws.

Debt Covenants—The Company is subject to financial covenants under the 2024 Unsecured Revolver, including maintaining: (i) a ratio of total unencumbered assets to total unsecured debt of at least 1.33x; and (ii) a consolidated fixed charge coverage ratio of at least 1.15x, as such terms are defined in the documents governing the 2024 Unsecured Revolver, as applicable. In addition, the 2024 Unsecured Revolver contains customary affirmative and negative covenants. Among other things, these covenants may restrict the Company or certain of its subsidiaries' ability to incur additional debt or liens, engage in certain mergers, consolidations and other fundamental changes, make other investments or pay dividends. The Company's 2.80% Notes, 2.85% Notes, 3.98% Notes, 5.15% Notes, 6.10% Notes and 5.65% Notes are subject to a financial covenant requiring a ratio of unencumbered assets to unsecured debt of at least 1.25x and contain customary affirmative and negative covenants. The Company's 6.10% Notes and 5.65% Notes are also subject to a financial covenant limiting the incurrence of any secured debt that would cause the Company's secured debt to total assets ratio to exceed 50%. The Company's 3.98% Notes and 5.15% Notes contain a provision whereby they will be deemed to include additional financial covenants and negative covenants to the extent such covenants are incorporated into Portfolio Holdings' and/or the Company's existing or future material credit facilities, including the 2024 Unsecured Revolver, and to the extent such covenants are more favorable to the lenders under such material credit facilities than the covenants contained in the 3.98% Notes and 5.15% Notes. The Company's mortgages contain no significant maintenance or ongoing financial covenants. As of March 31, 2025, the Company was in compliance with all of its financial covenants.

Future Scheduled Maturities—As of March 31, 2025, future scheduled maturities of outstanding debt obligations, assuming all extensions that can be exercised at the Company's option, are as follows (\$ in thousands):

	Secured⁽¹⁾	Unsecured	Total
2025 (remaining nine months)	\$ —	\$ —	\$ —
2026	—	—	—
2027	237,000	—	237,000
2028	79,193	—	79,193
2029	—	712,000	712,000
Thereafter	1,181,920	2,185,204	3,367,124
Total principal maturities	1,498,113	2,897,204	4,395,317
Debt premium, discount and deferred financing costs, net	(26,044)	(27,789)	(53,833)
Total debt obligations, net	<u>\$ 1,472,069</u>	<u>\$ 2,869,415</u>	<u>\$ 4,341,484</u>

(1) As of March 31, 2025, the Company's weighted average maturity for its secured mortgages was 26.3 years.

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Note 10—Commitments and Contingencies

Lease Commitments—Future minimum lease obligations under non-cancelable operating leases as of March 31, 2025 are as follows (\$ in thousands):⁽¹⁾

2025 (remaining nine months)	\$	4,663
2026		543
2027		543
2028		543
2029		543
Thereafter		7,649
Total undiscounted cash flows ⁽¹⁾		14,484
Present value discount ⁽²⁾		(5,504)
Lease liabilities	\$	8,980

(1) Includes cash flows that relate to a property that is majority-owned by a third party and is ground leased to the Company. The Company is obligated to pay the owner of the property \$0.5 million, subject to adjustment for changes in the CPI, per year through 2044; however, the Company's Ground Lease tenant at the property pays this expense directly under the terms of a master lease.

(2) The lease liability equals the present value of the minimum rental payments due under the lease discounted at the rate implicit in the lease or the Company's incremental secured borrowing rate for similar collateral. For operating leases, lease liabilities were discounted at the Company's weighted average incremental secured borrowing rate for similar collateral estimated to be 5.6% and the weighted average remaining lease term is 11.4 years. During the three months ended March 31, 2025 and 2024, the Company made payments of \$1.4 million and \$1.4 million, respectively, related to its operating leases.

Unfunded Commitments—The Company has unfunded commitments to certain of its Ground Lease tenants related to leasehold improvement allowances that it expects to fund upon the completion of certain conditions. As of March 31, 2025, the Company had \$32.2 million of such commitments, excluding commitments to be funded by noncontrolling interests.

The Company also has unfunded forward commitments related to agreements that it entered into for the acquisition of new Ground Leases or additions to existing Ground Leases if certain conditions are met (refer to Note 14). These commitments may also include leasehold improvement allowances that will be funded to the Ground Lease tenants when certain conditions are met. As of March 31, 2025, the Company had an aggregate \$150.3 million of such commitments. There can be no assurance that the conditions to closing for these transactions will be satisfied and that the Company will acquire the Ground Leases or fund the leasehold improvement allowances.

Other Commitments—Through the Leasehold Loan Fund, the Company will generally fund construction and development loans and build-outs of space in real estate assets over a period of time if and when the borrowers and tenants meet established milestones and other performance criteria. We refer to these arrangements as performance-based commitments. As of March 31, 2025, the Company had \$116.0 million of such commitments.

Legal Proceedings—The Company evaluates developments in legal proceedings that could require a liability to be accrued and/or disclosed. Based on its current knowledge, and after consultation with legal counsel, the Company believes it is not a party to, nor are any of its properties the subject of, any pending legal proceeding that would have a material adverse effect on the Company's consolidated financial statements.

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Note 11—Risk Management and Derivatives

In the normal course of its ongoing business operations, the Company encounters credit risk. Credit risk is the risk of default on the Company's leases that result from a tenant's inability or unwillingness to make contractually required payments.

Risk concentrations—Concentrations of credit risks arise when the Company has multiple leases with a particular tenant or credit party, or a number of the Company's tenants are engaged in similar business activities, or activities in the same geographic region, or have similar economic features, such that their ability to meet contractual obligations, including those to the Company, could be similarly affected by changes in economic conditions.

Although the Company's Ground Leases are geographically diverse and the tenants operate in a variety of industries and property types, to the extent the Company has a significant concentration of interest income from sales-type leases or operating lease income from any tenant, the inability of that tenant to make its payment could have a material adverse effect on the Company. The Company did not have a significant concentration of interest income from sales-type leases or operating lease income from any tenant for the periods presented.

Derivative instruments and hedging activity—The Company's use of derivative financial instruments has been associated with debt issuances and primarily limited to the utilization of interest rate swaps, interest rate caps and treasury locks to manage interest rate risk exposure. The Company does not enter into derivatives for trading purposes.

The Company recognizes derivatives, if any, as either assets or liabilities on the Company's consolidated balance sheets at fair value. Interest rate hedge assets are recorded in "Deferred expenses and other assets, net" and interest rate hedge liabilities are recorded in "Accounts payable, accrued expenses and other liabilities" on the Company's consolidated balance sheets. If certain conditions are met, a derivative may be specifically designated as a hedge of the exposure to changes in the fair value of a recognized asset or liability, a hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability.

For the Company's derivatives designated and qualifying as cash flow hedges, changes in the fair value of the derivatives are reported as a component of accumulated other comprehensive income (loss) and subsequently reclassified into interest expense in the same periods during which the hedged transaction affects earnings. Amounts reported in accumulated other comprehensive income (loss) related to derivatives will be reclassified to interest expense as interest payments are made on the Company's debt. If an interest rate hedge is terminated prior to maturity it could result in a net derivative instrument gain or loss that continues to be reported in accumulated other comprehensive (loss) and is reclassified into earnings over the period of the original forecasted hedged transaction. However, if it is probable that the original forecasted hedged transaction will not occur by the end of the original specified time period, the derivative instrument gain or loss reported in accumulated other comprehensive income (loss) will be reclassified into earnings immediately. If a derivative includes an other-than-insignificant financing element at inception, when the Company is deemed to be the lender all cash inflows and outflows of the derivative are considered cash flows from investing activities in the Company's consolidated statements of cash flows and when the Company is deemed to be the borrower all cash inflows and outflows of the derivative are considered cash flows from financing activities in the Company's consolidated statements of cash flows.

For the Company's derivatives not designated as hedges, the changes in the fair value of the derivatives are reported in "Interest expense" in the Company's consolidated statements of operations. Derivatives not designated as hedges are not speculative and are used to manage the Company's exposure to interest rate movements and other identified risks but do not meet the strict hedge accounting requirements.

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The table below presents the Company’s derivatives as well as their classification on the consolidated balance sheets as of March 31, 2025 and December 31, 2024 (\$ in thousands):⁽¹⁾⁽²⁾⁽³⁾

Derivative Type	March 31, 2025 Fair Value	December 31, 2024 Fair Value	Balance Sheet Location
Assets			
Interest rate swaps	\$ 30,650	\$ 45,439	Deferred expenses and other assets, net
Total	\$ 30,650	\$ 45,439	

- (1) As of March 31, 2025, the Company has two interest rate swap derivatives outstanding that mature in April 2028 and have an aggregate \$500.0 million notional amount, which hedge in-place floating-rate debt. The Company also has two designated derivatives outstanding that protect the Company against interest rate volatility with respect to long-term debt to be placed in the future, which have an aggregate \$250.0 million notional amount and mature in December 2025. These designated hedges protect the Company against interest rate volatility with respect to future debt with a tenor of approximately 30 years.
- (2) Over the next 12 months, the Company expects that \$0.1 million related to cash flow hedges will be reclassified from “Accumulated other comprehensive income (loss)” as an increase to interest expense.
- (3) The fair value of the Company’s derivatives is estimated using valuation techniques utilized by a third-party specialist using observable inputs such as interest rates and contractual cash flow and are classified as Level 2 within the fair value hierarchy.

Credit Risk-Related Contingent Features—The Company reports derivative instruments, if any, on a gross basis in its consolidated financial statements. The Company has agreements with each of its derivative counterparties that contain a provision whereby if the Company either defaults or is capable of being declared in default on any of its indebtedness, then the Company could also be declared in default on its derivative obligations.

The table below presents the effect of the Company’s derivative financial instruments in the consolidated statements of operations and the consolidated statements of comprehensive income (loss) for the three months ended March 31, 2025 and 2024 (\$ in thousands):

Derivatives Designated in Hedging Relationships For the Three Months Ended March 31, 2025	Location of Gain (Loss) When Recognized in Income	Amount of Gain (Loss) Recognized in Accumulated Other Comprehensive Income	Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income into Earnings
Interest rate swaps	Interest expense	\$ (13,113)	\$ 519
For the Three Months Ended March 31, 2024			
Interest rate swaps	Interest expense	\$ 29,410	\$ 1,615

Note 12—Equity

Common Stock—As of March 31, 2025, the Company has one class of common stock outstanding.

In April 2023, the Company and Portfolio Holdings entered into an ATM Equity Offering Sales Agreement (the “Primary Sales Agreement”) with the sales agents named therein pursuant to which the Company may sell, from time to time, shares of its common stock having an aggregate gross sales price of up to \$300.0 million (the “Primary Shares”) through or to the sales agents. The Company may sell the Primary Shares in amounts and at times to be determined by the Company from time to time but has no obligation to sell any of the Primary Shares. Actual sales, if any, will depend on a

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variety of factors to be determined by the Company from time to time, including, among other things, market conditions, the trading price of the Company's common stock, capital needs and determinations by the Company of the appropriate sources of its funding. Through March 31, 2025, the Company has not sold any shares of its common stock through the Primary Sales Agreement.

On February 4, 2025, the Company's board of directors authorized the repurchase of up to \$50.0 million of the Company's common stock. The Company has no obligation to repurchase additional shares, and the timing, actual number and value of the shares that are repurchased, if any, will be at the discretion of management and will depend on a number of factors, including market conditions, the cost of repurchasing shares, the availability of alternative investment opportunities, liquidity, and other factors deemed appropriate. Repurchases may be suspended, terminated or modified at any time for any reason. The share repurchase program does not have an expiration date. Any repurchased shares will be returned to the status of authorized but unissued shares of common stock. As of March 31, 2025, the Company had not repurchased any of its outstanding common stock.

Equity Plans—The Company has a Long-Term Incentive Program (the "LTIP"), originally adopted by iStar's board of directors and approved by iStar's stockholders in 2021, designed to provide incentive compensation for officers, key employees, directors and advisors of the Company. The LTIP provides for awards of stock options, shares of restricted stock, phantom shares, restricted stock units, dividend equivalent rights and other share-based performance awards. All awards under the LTIP are made at the discretion of the Company's Board of Directors. Grants under the LTIP are recognized as compensation costs ratably over the applicable vesting period and recorded in "General and administrative" in the Company's consolidated statements of operations. In May 2024, the Company issued an aggregate 32,300 shares of its common stock with a grant date fair value of \$20.78 per share to its directors that vest after one year in consideration for their annual service as directors. In addition, in May 2024, the Company's shareholders approved an increase to the LTIP of 1,000,000 shares. As of March 31, 2025, an aggregate of 806,054 shares of the Company's common stock remains available for issuance under the LTIP. As of March 31, 2025, there was \$7.1 million of total unrecognized compensation cost related to all unvested restricted stock units that is expected to be recognized over a weighted average remaining vesting/service period of 1.9 years.

Caret Performance Incentive Plan—The Company has a Caret performance incentive plan pursuant to which Caret units of Portfolio Holdings are reserved for grants of performance-based awards to participants, including certain officers, key employees, directors and service providers (the "Caret Performance Incentive Plan"). As of March 31, 2025, all outstanding Caret units awarded under the Caret Performance Incentive Plan are fully vested except for grants awarded in connection with the Merger to executive officers and other employees, which are subject to cliff vesting on March 31, 2027 if the Company's common stock has traded at an average per share price of \$60.00 or more for at least 30 consecutive trading days since the grant date, and certain awards granted to a former employee that vest in December 2025, subject to certain conditions. As of March 31, 2025, there was \$2.8 million of total unrecognized compensation cost related to all unvested Caret units that is expected to be recognized over a remaining vesting/service period of 2.0 years.

As of March 31, 2025, Caret Performance Incentive Plan participants held 1,371,254 Caret units, representing 14.4% of the outstanding Caret units and 11.4% of the authorized Caret units, and 128,746 Caret units remain available for issuance under the Caret Performance Incentive Plan.

During the three months ended March 31, 2025 and 2024, the Company recognized \$0.3 million and \$0.5 million, respectively, of expense from Caret units, which is recorded in "General and administrative" in the Company's consolidated statements of operations and "Noncontrolling interests" on the Company's consolidated balance sheets.

401(K) Plan—The Company has a savings and retirement plan (the "401(k) Plan"), which is a voluntary, defined contribution plan. All employees are eligible to participate in the 401(k) Plan following completion of three months of

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continuous service with the Company. Each participant may contribute on a pretax basis up to the maximum percentage of compensation and dollar amount permissible under Section 402(g) of the Internal Revenue Code not to exceed the limits of Code Sections 401(k), 404 and 415. At the discretion of the Company's Board of Directors, the Company may make matching contributions on the participant's behalf of up to 50% of the participant's contributions, up to a maximum of 10% of the participants' compensation. The Company made gross contributions of \$0.4 million and \$0.4 million, respectively, for the three months ended March 31, 2025 and 2024.

Accumulated Other Comprehensive Income (Loss)—Accumulated other comprehensive income (loss) consists of net unrealized gains (losses) on the Company's derivative transactions.

Noncontrolling Interests—Noncontrolling interests includes unrelated third-party equity interests in ventures that are consolidated in the Company's consolidated financial statements and Caret units that have been sold to third-parties or have been granted to employees or former employees. See also "*Redeemable Noncontrolling Interests*" in Note 3.

Dividends—The Company (then known as iStar) elected to be taxed as a REIT beginning with its taxable year ended December 31, 1998. To qualify as a REIT, the Company must annually distribute, at a minimum, an amount equal to 90% of its taxable income, excluding net capital gains, and must distribute 100% of its taxable income (including net capital gains) to eliminate corporate federal income taxes payable by the REIT. Because taxable income differs from cash flow from operations due to non-cash revenues and expenses (such as depreciation and other items), in certain circumstances, the Company may generate operating cash flow in excess of its dividends, or alternatively, may need to make dividend payments in excess of operating cash flows. During the three months ended March 31, 2025 and 2024, the Company declared cash dividends on its common stock of \$12.7 million, or \$0.177 per share, and \$12.7 million, or \$0.177 per share, respectively.

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Note 13—Earnings Per Share

Earnings per share (“EPS”) is calculated by dividing net income attributable to common shareholders by the weighted average number of shares outstanding for the period. The following tables present a reconciliation of net income used in the basic and diluted EPS calculations (\$ and shares in thousands, except for per share data):

	Three Months Ended March 31,	
	2025	2024
Net income (loss)	\$ 29,410	\$ 31,029
Net (income) loss attributable to noncontrolling interests	(46)	(301)
Net income (loss) attributable to Safehold Inc. common shareholders for basic and diluted earnings per common share	\$ 29,364	\$ 30,728
Earnings attributable to common shares:		
Numerator for basic and diluted earnings per share:		
Net income (loss) attributable to Safehold Inc. common shareholders - basic	\$ 29,364	\$ 30,728
Net income (loss) attributable to Safehold Inc. common shareholders - diluted	\$ 29,364	\$ 30,728
Denominator for basic and diluted earnings per share: ⁽¹⁾		
Weighted average common shares outstanding for basic earnings per common share	71,521	71,170
Add: Effect of assumed shares under treasury stock method for restricted stock units	114	70
Weighted average common shares outstanding for diluted earnings per common share	71,635	71,240
Basic and diluted earnings per common share: ⁽¹⁾		
Net income (loss) attributable to Safehold Inc. common shareholders - basic	\$ 0.41	\$ 0.43
Net income (loss) attributable to Safehold Inc. common shareholders - diluted	\$ 0.41	\$ 0.43

(1) For the three months ended March 31, 2024, the effect of 22 thousand of the Company’s restricted stock units were antidilutive.

Note 14—Related Party Transactions

Acquisitions and Commitments

Following is a list of transactions in which the Company and other persons deemed to be related parties have participated for the periods presented. These transactions were approved by the Company’s independent directors in accordance with the Company’s policy with respect to related party transactions.

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 and through March 31, 2025, the Company funded \$1.5 million of the commitment amount. At inception in April 2024, the Company incurred \$0.4 million of costs creating the entity formed to own the leasehold interest, which resulted in a total investment balance of \$1.9 million and was included in “Deferred expenses and other assets” on the Company’s consolidated balance

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sheet as of December 31, 2024. In May 2025, the leasehold interest was acquired by a new sponsor and the Company determined its investment was likely not recoverable, which resulted in a \$1.9 million write-off of the Company's preferred equity investment as of March 31, 2025. The write-off is included in "Other expense" in the Company's consolidated statement of operations. The Company has recognized \$1.7 million of interest income from sales-type leases from the Ground Lease in its consolidated statements of operations for the three months ended March 31, 2025.

The Company has a noncontrolling interest in the Ground Lease Plus Fund and an affiliate of an existing shareholder (which is affiliated with one of the Company's independent directors) has a noncontrolling interest in the Ground Lease Plus Fund. The Company has entered into certain agreements to acquire certain land and related Ground Leases from the Ground Lease Plus Fund when certain construction-related conditions are met by a specified time period. In January 2024, the Company acquired one Ground Lease from the Ground Lease Plus Fund for \$38.3 million pursuant to one such agreement. In addition, the Ground Lease documents contain future funding obligations to the Ground Lease tenant of approximately \$51.8 million of leasehold improvement allowance upon achievement of certain milestones. In May 2023, certain milestones were met by the tenant as it exited the pre-development stage and the tenant began accessing the leasehold improvement allowance. As of March 31, 2025, the \$51.8 million leasehold improvement allowance has been fully funded. The Company is also party to an agreement pursuant to which it agreed to acquire land and a related Ground Lease from the Ground Lease Plus Fund when certain construction related conditions are met by a specified time period. The purchase price to be paid is \$42.0 million, plus an amount necessary for the Ground Lease Plus Fund to achieve the greater of a 1.25x multiple and a 9% return on its investment. In addition, the Ground Lease provides for a leasehold improvement allowance up to a maximum of \$83.0 million, which obligation would be assumed by the Company upon acquisition. There can be no assurance that the conditions to closing will be satisfied and that the Company will acquire the property and Ground Lease from the Ground Lease Plus Fund.

Caret units

In February 2022, the Company sold an aggregate of 108,571 Caret units, 1.08% of the then-authorized Caret units, to a group of investors (refer to Note 3). In addition, an affiliate of an existing shareholder (which was affiliated with one of the Company's independent directors) made a commitment to purchase 28,571 Caret units, or 0.29% of the then-authorized Caret units, for a purchase price of \$5.0 million. As part of the sale, the Company agreed to use commercially reasonable efforts to provide public market liquidity for such Caret units by seeking to provide a listing of the Caret units (or securities into which they may be exchanged) on a public exchange within two years of the sale. 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 by Portfolio Holdings at such purchase price less the amount of distributions previously made on such units. In April 2024, all of the investors in the February 2022 transaction exercised this right and elected to have their Caret units redeemed.

Star Holdings

On March 31, 2023, immediately prior to the closing of the Merger, the Company (then known as iStar Inc.) spun-off of its remaining legacy assets and certain other assets (the "Spin-Off") pursuant to a separation and distribution agreement (the "Separation and Distribution Agreement"), dated as of March 31, 2023, by and between the Company and Star Holdings. The Separation and Distribution Agreement sets forth, among other things, Star Holdings' agreements with the Company regarding the principal transactions necessary to separate Star Holdings from the Company. It also sets forth other agreements that govern certain aspects of Star Holdings' relationship with the Company after the Spin-Off relating to the transfer of assets and assumption of liabilities, cash assets, release of claims, insurance, non-solicitation, segregation of accounts and other matters. The Separation and Distribution Agreement also includes a mutual release by Star Holdings, on the one hand, and the Company, on the other hand, of the other party from certain specified liabilities, as well as mutual

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indemnification covenants pursuant to which Star Holdings and the Company have agreed to indemnify each other from certain specified liabilities.

SpinCo Manager is party to a management agreement with Star Holdings, pursuant to which it will operate and pursue the orderly monetization of Star Holding's assets. On March 28, 2025, the Company and Star Holdings entered into an amendment to the Management Agreement that increased the management fee payable in year four of the contract from \$5.0 million to \$7.5 million and increased the termination fee payable by Star Holdings in certain circumstances from \$50.0 million to \$55.0 million. Pursuant to the management agreement, Star Holdings paid to SpinCo Manager an annual management fee of \$25.0 million for the term ended March 31, 2024 and \$15.0 million for the term ended March 31, 2025. The annual fee declines to \$10.0 million and \$7.5 million, respectively, in each of the following annual terms, and adjusts to 2.0% of the gross book value of Star Holding's assets, excluding shares of the Company's common stock held by Star Holdings, thereafter. The management agreement had an initial one-year term and automatically renews for successive one-year terms each anniversary date thereafter unless previously terminated. The management agreement may be terminated by Star Holdings without cause by not less than one hundred eighty days' written notice to SpinCo Manager upon the affirmative vote of at least two-thirds of Star Holdings' independent directors, provided, however, that if the date of termination occurs prior to March 31, 2027, the termination will be subject to payment of the applicable termination fee to SpinCo Manager. Star Holdings may also terminate the management agreement at any time with 30 days' prior written notice from Star Holdings' board of trustees for "cause," as defined in the management agreement.

In the event of a termination without cause by Star Holdings prior to March 31, 2027, Star Holdings will pay SpinCo Manager a termination fee of \$55.0 million minus the aggregate amount of management fees actually paid to SpinCo Manager prior to the termination date. However, if Star Holdings has completed the liquidation of its assets on or before the termination date, the termination fee will consist of any portion of the annual management fee that remained unpaid for the remainder of the then current annual term plus, if the termination date occurs on or before March 31, 2026, the amount of the management fee that would have been payable for the next succeeding annual term, or if the termination date occurs after March 31, 2026, zero.

In the event of a termination by the Company based on a reduction in the amount of Star Holdings' consolidated assets below designated thresholds, Star Holdings will pay SpinCo Manager a termination fee of \$5.0 million if the termination occurs in the third year, plus the balance of any unpaid portion of the annual management fee for the applicable year.

During the three months ended March 31, 2025 and 2024, the Company recorded \$3.6 million and \$5.5 million, respectively, in management fees from Star Holdings. The management fees are included in "Other income" in the Company's consolidated statements of operations.

The Company and Star Holdings also entered into a governance agreement that places certain restrictions on the transfer and voting of the shares of the Company owned by Star Holdings, and a registration rights agreement under which the Company agreed to register such shares for resale in accordance with applicable securities laws. As of March 31, 2025, Star Holdings owned approximately 18.9% of the Company's common stock outstanding through a wholly-owned subsidiary.

In April 2023, the Company, Portfolio Holdings and Star Investment Holdings SPV LLC ("Star Investment Holdings"), a subsidiary of Star Holdings, entered into an ATM Equity Offering Sales Agreement (the "Selling Stockholder Sales Agreement") with the sales agents named therein pursuant to which Star Investment Holdings may sell, from time to time, subject to receiving the Company's consent, up to 1,000,000 shares of the Company's common stock (the "Selling Stockholder Shares") through or to the sales agents. Star Investment Holdings may sell the Selling Stockholder Shares in amounts and at times to be determined by Star Investment Holdings, subject to receiving the

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Company's consent, from time to time but has no obligation to sell any of the Selling Stockholder Shares. Actual sales, if any, will depend on a variety of factors to be determined by Star Investment Holdings from time to time, including, among other things, market conditions, the trading price of the Company's common stock, capital needs and determinations by Star Investment Holdings of the appropriate sources of its funding.

Note 15—Segment Reporting

The Company conducts its business through one reportable and one operating segment by acquiring, managing and capitalizing Ground Leases, which the Company believes provides an opportunity for safe, growing income. The Company's chief executive officer is the chief operating decision maker ("CODM") and uses net income (loss), as reported on the consolidated statements of comprehensive income (loss), to measure segment operating performance. All of the Company's expenses are included in segment operating performance and are reviewed regularly. However, the CODM reviews interest expense and general and administrative expense on a more disaggregated basis. The CODM reviews interest expense in more detail because the Company uses its cost of capital to price its investments. The CODM also reviews general and administrative expense, which includes public company costs consisting of compensation, occupancy, and other corporate costs, in more detail to ensure its resources are in line with its business and operating needs. The measure of segment assets is reported on the Company's consolidated balance sheets as total assets. The CODM also reviews assets and asset level metrics such as rent coverage, GAAP and cash asset yields, Ground Lease cost to value ratios, unrealized capital appreciation and certain other metrics on a regular basis.

The following table presents the Company's expenses that are reviewed in more detail by the CODM for the three months ended March 31, 2025 and 2024 (\$ in thousands):

	For the Three Months Ended	
	March 31,	
	2025	2024
Interest expense		
Cash	\$ 43,454	\$ 41,515
Non-cash	6,972	7,116
Subtotal interest expense	50,426	48,631
General and administrative ⁽¹⁾		
Public company and other costs	10,645	10,863
Stock-based compensation	3,487	4,765
Subtotal general and administrative	14,132	15,628

- (1) The CODM also considers management fees earned from Star Holdings (refer to Note 14) in their review of general and administrative expense because many of the Company's employees spend time and resources performing basic functions for the management of Star Holdings. During the three months ended March 31, 2025 and 2024, the Company earned \$3.6 million and \$5.5 million, respectively, in management fees from Star Holdings. The management fees are included in "Other income" in the Company's consolidated statements of operations.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Certain statements in this report, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements are included with respect to, among other things, Safehold Inc.’s (the “Company’s”) current business plan, business strategy, portfolio management, prospects and liquidity. These forward-looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “intend,” “strategy,” “plan,” “may,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result,” and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results or outcomes to differ materially from those contained in the forward-looking statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. In assessing all forward-looking statements, readers are urged to read carefully all cautionary statements contained in this Form 10-Q and the uncertainties and risks described in Item 1A. “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024 (the “2024 Annual Report”), all of which could affect our future results of operations, financial condition and liquidity.

The discussion below should be read in conjunction with our consolidated financial statements and related notes in this quarterly report on Form 10-Q and our 2024 Annual Report. These historical financial statements may not be indicative of our future performance.

Business Overview

We acquire, manage and capitalize Ground Leases and report our business as a single reportable segment. We believe owning a portfolio of Ground Leases affords our investors the opportunity for safe, growing income. Safety is derived from a Ground Lease’s senior position in the commercial real estate capital structure. Growth is realized through long-term leases with contractual periodic increases in rent. Capital appreciation is realized through appreciation in the value of the land over time and through our typical rights as landlord to acquire the commercial buildings on our land at the end of a Ground Lease, which may yield substantial value to us. As of March 31, 2025, the percentage breakdown of the gross book value of our portfolio was 41% multi-family, 40% office, 11% hotels, 6% life science and 2% mixed use and other. The diversification by geographic location, property type and sponsor in our portfolio further reduces risk and enhances potential upside.

In 2022, the Consumer Price Index (“CPI”) rose to its highest rate in over 40 years. Many of our Ground Leases have CPI lookbacks, generally starting between years 11 and 21 of the lease term, to mitigate the effects of inflation that are typically capped between 3.0% - 3.5%; however, in the event cumulative inflation growth for the lookback period exceeds the cap, these rent adjustments may not keep up fully with changes in inflation. To combat the increase in inflation over the past few years, the Federal Reserve raised interest rates and has kept interest rates generally high. This increase in interest rates has produced progress on inflation and in September 2024, the Federal Reserve reduced the federal funds rate by 50 basis points, which marked the first interest rate cut in four years. The Federal Reserve further reduced the federal funds rate by 25 basis points in each of November 2024 and December 2024. The Federal Reserve has indicated that the economic outlook, including any potential impact on the economy from changes to U.S. trade policy, is uncertain and it will continue to monitor incoming data on unemployment and inflation before adjusting monetary policy; however, high interest rates have, and any future increase in interest rates may continue to result in a reduction in the availability or an increase in costs of leasehold financing for Ground Lease tenants, which is critical to the growth of a robust Ground Lease market. The rise in interest rates and increased investment spreads to treasury bonds in the Ground Lease market may also attract new competitors, which may result in higher costs for properties, lower returns and impact our ability to grow.

The rise in interest rates has also adversely affected the U.S. office sector, along with office vacancies and a decline in market liquidity that began with the onset of the COVID-19 pandemic, all of which could negatively impact our tenants, Ground Rent Coverages and estimated Combined Property Values. Moreover, certain office assets currently have material vacancies. If our Ground Lease tenants at such assets fail to re-tenant the building, such Ground Leases may

default and we may suffer losses. See the "Risk Factors" section of our 2024 Annual Report for additional discussion of certain potential risks to our business related to competition and industry concentrations. We have chosen to focus on Ground Leases because we believe they meet an important need in the real estate capital markets for our customers. We also believe Ground Leases offer a unique combination of safety, income growth and the potential for capital appreciation for investors for the following reasons:

High Quality Long-Term Cash Flow: We believe that a Ground Lease represents a safe position in a property's capital structure. The combined value of the land and buildings and improvements thereon subject to a Ground Lease (the "Combined Property Value") typically significantly exceeds the Ground Lease landlord's investment in the Ground Lease; therefore, even if the landlord takes over the property following a tenant default or upon expiration of the Ground Lease, the landlord is reasonably likely to recover substantially all of its Ground Lease investment, and possibly amounts in excess of its investment, depending upon prevailing market conditions. Additionally, the typical structure of a Ground Lease provides the landlord with a residual right to regain possession of its land and take ownership of the buildings and improvements thereon upon a tenant default. The landlord's residual right provides a strong incentive for a Ground Lease tenant or its leasehold lender to make the required Ground Lease rent payments.

Income Growth: Ground Leases typically provide growing income streams through contractual base rent escalators that may compound over the duration of the lease. These rent escalators may be based on fixed increases, a CPI or a combination thereof, and may also include a participation in the gross revenues of the property. We believe that this growth in the lease rate over time can mitigate the effects of inflation and capture anticipated increases in land values over time, as well as serving as a basis for growing our dividend.

Opportunity for Capital Appreciation: The opportunity for capital appreciation comes in two forms. First, as the ground rent grows over time, the value of the Ground Lease should grow under market conditions in which capitalization rates remain flat. Second, our residual right to regain possession of the land underlying the Ground Lease and take title to the buildings and other improvements thereon at lease expiration or earlier termination of the lease for no additional consideration creates additional potential value to our shareholders.

We generally target Ground Lease investments in which the initial cost of the Ground Lease represents 30% to 45% of the Combined Property Value as if the Ground Lease did not exist. If the initial cost of a Ground Lease is equal to 35% of the Combined Property Value, the remaining 65% of the Combined Property Value represents potential excess value over the amount of our investment that would be turned over to us upon the reversion of the property, assuming no intervening change in the Combined Property Value. In our view, there is a strong correlation between inflation and commercial real estate values over time, which supports our belief that the value of our owned residual portfolio should increase over time as inflation increases, although our ability to recognize value in certain cases may be limited by the rights of our tenants under some of our Ground Leases, including tenant rights to purchase our land in certain circumstances and the right of one tenant to demolish improvements prior to the expiration of the lease. See "Risk Factors" in our 2024 Annual Report for additional discussion of these tenant rights.

Owned Residual Portfolio: We believe that the residual right is a unique feature distinguishing Ground Leases from other fixed income investments and property types. We refer to the value of the land and improvements subject to a Ground Lease in excess of our investment basis as unrealized capital appreciation ("UCA"). We track the UCA in our owned residual portfolio over our basis 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 the Combined Property Value of the portfolio that reverts to us pursuant to such residual rights.

We believe that, similar to a loan to value metric, tracking changes in the value of our owned residual portfolio is useful as an indicator of the quality of our cash flows and the safety of our position in a tenant's capital structure, which, in turn, supports our objective to pay and grow dividends over time. Observing changes in our owned residual portfolio value also helps us monitor changes in the value of the real estate portfolio that reverts to us under the terms of the leases, either at the expiration or earlier termination of the lease. The value may be realized by us at the relevant time by entering into a new lease reflecting then current market terms and values, selling the building, selling the building with the land, or operating the building directly and leasing the spaces to tenants at prevailing market rates.

We have engaged an independent valuation firm to prepare: (a) initial reports of the Combined Property Value associated with our Ground Lease portfolio; and (b) periodic updates of such reports, which we use, in part, to determine the current estimated value of our owned residual portfolio. We calculate this estimated value by subtracting our original aggregate cost basis in the Ground Leases from our estimated aggregate Combined Property Value, based on estimates by the valuation firm and by management.

The table below shows the current estimated UCA in our owned residual portfolio as of March 31, 2025 and December 31, 2024 (\$ in millions):⁽¹⁾

	March 31, 2025	December 31, 2024
Combined Property Value ⁽²⁾	\$ 15,252	\$ 15,523
Ground Lease Cost ⁽²⁾	6,398	6,395
Unrealized Capital Appreciation in Our Owned Residual Portfolio	8,854	9,128

(1) Please review our Current Report on Form 8-K filed on May 6, 2025 for a discussion of the valuation methodology used and important limitations and qualifications of the calculation of UCA. See “Risk Factors—Certain tenant rights under our Ground Leases may limit the value and the UCA we are able to realize upon lease expiration, sale of our land and Ground Leases or other events” included in “Risk Factors” of our 2024 Annual Report for a discussion of certain tenant rights and other terms of the leases that may limit our ability to realize value from the UCA.

(2) Combined Property Value includes our applicable percentage interests in our unconsolidated Ground Lease ventures and \$147.9 million and \$319.8 million related to transactions with remaining unfunded commitments as of March 31, 2025 and December 31, 2024, respectively. Combined Property Value excludes the term loan to Star Holdings, the assets in the Leasehold Loan Fund (refer to Note 7 to the consolidated financial statements), the assets in the Ground Lease Plus Fund and amounts attributable to noncontrolling interests. Ground Lease Cost includes our applicable percentage interests in our unconsolidated Ground Lease ventures and \$32.2 million and \$46.2 million of unfunded commitments as of March 31, 2025 and December 31, 2024, respectively. Ground Lease Cost excludes the term loan to Star Holdings, the assets in the Leasehold Loan Fund, the assets in the Ground Lease Plus Fund and amounts attributable to noncontrolling interests. As of March 31, 2025, our gross book value as a percentage of combined property value was 52%.

Our Caret program (as defined below) is designed to recognize the two distinct components of value in our Ground Lease portfolio by separating them into:

- the “bond component,” which consists of the bond-like income stream we receive from contractual rent payments under our Ground Leases, plus the return of our investment basis in each asset; and
- the “Caret component,” which consists of the UCA above our investment basis in our Ground Leases due to our ownership of the land and improvements at the end of the term of the applicable Ground Lease.

Portfolio Holdings’ two classes of limited liability company interests are designed to track these two components: “GL units” are intended to track the bond component and “Caret units” are designed to track the Caret component (the “Caret program”). We currently hold all of the issued and outstanding GL units of Portfolio Holdings.

In general, all of our Ground Leases are subject to the Caret program, except for non-commercial Ground Leases and pre-development Ground Leases. Holders of Caret units are generally entitled to amounts equal to the net proceeds from the disposition of a Ground Lease asset in excess of the cost borne by us to acquire such asset (including amounts paid to the tenant in connection with the initial development of improvements at the properties). However, we are entitled to deduct (i) unrecovered acquisition costs borne by Portfolio Holdings following the termination of an applicable Ground Lease by reason of defaults of tenants; (ii) accrued unpaid rent under the applicable Ground Lease; and (iii) unrecovered costs relating to the issuance, maintenance and management of Caret units as a separate security, among other costs, from the amount payable to the holders of Caret units on account of such net proceeds. See “SAFE Proposal 2: The SAFE Caret Amendment Proposal” in our Registration Statement on Form S-4, filed with the SEC on December 16, 2022, for more information on the Caret program.

We have a Caret Performance Incentive Plan (the “Caret Performance Incentive Plan”) pursuant to which Caret units are reserved for grants of performance-based awards to participants including certain employees of the Company, directors and service providers. As of March 31, 2025, all outstanding Caret units awarded under the Caret Performance Incentive Plan are fully vested except for grants awarded in connection with the merger between Safehold Inc. and iStar Inc. on March 31, 2023 to executive officers and other employees, which are subject to cliff vesting on March 31, 2027 if

our common stock has traded at an average price of \$60.00 or more for at least 30 consecutive trading days since the grant date, and certain awards granted to a former employee that vest in December 2025, subject to certain conditions. As of March 31, 2025, vested and unvested Caret units beneficially owned by our officers and other employees represent approximately 14.4% of the outstanding Caret units and 11.4% of the authorized Caret units, including 6.1% held directly and indirectly by Jay Sugarman, our Chairman and Chief Executive Officer, and approximately 128,746 Caret units remain available for issuance under the Caret Performance Incentive Plan.

In addition to the Caret units awarded or reserved for issuance under our Caret Performance Incentive Plan, we have sold 122,500 Caret units to third-party investors, including affiliates of MSD Partners, that remain outstanding as of March 31, 2025. As of March 31, 2025, the Company owned 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 Caret units by seeking to provide a listing of the Caret units (or securities into which they may be exchanged) on a public exchange within two years of the sale. 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 by Portfolio Holdings at such purchase price less the amount of distributions previously made on such units. In April 2024, all of the investors in the February 2022 transaction exercised this right and elected to have their Caret units redeemed at the original purchase price less the amount of distributions previously made on such units.

Market Opportunity: We believe that there is a significant market opportunity for a dedicated provider of Ground Lease capital like us. We believe that the market for existing Ground Leases is fragmented with ownership comprised primarily of high net worth individuals, pension funds, life insurance companies, estates and endowments. However, while we intend to pursue acquisitions of existing Ground Leases, our investment thesis is predicated, in part, on what we believe is an untapped market opportunity to expand the use of Ground Leases to a broader component of the approximately \$7.0 trillion institutional commercial property market in the U.S. We intend to capture this market opportunity by utilizing multiple sourcing and origination channels, including manufacturing new Ground Leases with third-party owners and developers of commercial real estate and originating Ground Leases to provide capital for development and redevelopment. We further believe that Ground Leases generally represent an attractive source of capital for our tenants and may allow them to generate superior returns on their invested equity as compared to utilizing alternative sources of capital.

Additionally, we have created additional channels and products that allows us to build a larger, captive pipeline, like our interests in two Ground Lease ecosystem funds, Ground Lease Plus Fund and Leasehold Loan Fund (refer to Note 7 to the consolidated financial statements). The Ground Lease Plus Fund includes two assets and targets high quality projects in pre-construction development phase with institutional developers. The Leasehold Loan Fund currently includes three assets and allows for customers to receive their full capital structure needs in one place. Customers are able to receive a mortgage leasehold loan as well as a Ground Lease through us. We also created “SAFExSWAP,” which is a program that allows real estate investors with existing ground leases to swap into one of our Ground Leases. Additionally, our product “SAFExSELL” provides clients with an opportunity to enter into a Ground Lease at the time of the sale of a real estate asset, generating greater proceeds than would normally be expected in connection with a fee simple sale.

Our Portfolio

Our portfolio of properties is diversified by property type and region. Our portfolio is comprised of Ground Leases and one master lease (relating to five hotel assets that we refer to as our “Park Hotels Portfolio”) that has many of the characteristics of a Ground Lease. The tenant under our Park Hotels Portfolio elected to extend the leases underlying three of the five hotels past the initial lease maturity of December 2025 (see the “Risk Factors -We may be unable to renew expiring Ground Leases, re-lease the land or sell the properties on favorable terms or at all, -Percentage rent payable under our master lease relating to the Park Hotels Portfolio is calculated on an aggregate portfolio-wide basis, -We are the tenant of a Ground Lease underlying a majority of our Doubletree Seattle Airport property” in our 2024 Annual Report for a discussion of our Park Hotels Portfolio). As of March 31, 2025, our estimated portfolio Ground Rent Coverage was 3.5x (see the “Risk Factors -Our estimated UCA, Combined Property Value and Ground Rent Coverage, may not reflect current market values, including the decline in office values, and may decline materially in future periods, -We rely on Property NOI as reported to us by our tenants, -Our estimates of Ground Rent Coverage for properties in development or

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transition, or for which we do not receive current tenant financial information, may prove to be incorrect" in our 2024 Annual Report for a discussion of our estimated Ground Rent Coverage).

Below is an overview of the top 10 assets in our portfolio as of March 31, 2025 (based on gross book value and excluding unfunded commitments):⁽¹⁾

Property Name	Property Type	Location	Lease Expiration / As Extended	Rent Escalation Structure	% of Gross Book Value
425 Park Avenue ⁽²⁾	Office	New York, NY	2090 / 2090	Fixed with Inflation Adjustments	5.4 %
135 West 50th Street	Office	New York, NY	2123 / 2123	Fixed with Inflation Adjustments	4.7 %
195 Broadway	Office	New York, NY	2118 / 2118	Fixed with Inflation Adjustments	4.5 %
20 Cambridgeside	Life Science	Cambridge, MA	2121 / 2121	Fixed with Inflation Adjustments	4.4 %
Alohilani	Hotel	Honolulu, HI	2118 / 2118	Fixed with Inflation Adjustments	3.3 %
Park Hotels Portfolio ⁽³⁾	Hotel	Various	2025 / 2035	% Rent	3.3 %
685 Third Avenue	Office	New York, NY	2123 / 2123	Fixed with Inflation Adjustments	3.0 %
1111 Pennsylvania Avenue	Office	Washington, DC	2117 / 2117	Fixed with Inflation Adjustments	2.2 %
Columbia Center	Office	Washington, DC	2120 / 2120	Fixed with Inflation Adjustments	2.2 %
100 Cambridgeside	Mixed Use and Other	Cambridge, MA	2121 / 2121	Fixed with Inflation Adjustments	2.2 %

- (1) Gross book value represents the historical purchase price plus accrued interest on sales-type leases.
- (2) Gross book value for this property represents our pro rata share of the gross book value of our unconsolidated venture (refer to Note 7 to the consolidated financial statements).
- (3) The Park Hotels Portfolio consists of five properties and is subject to a single master lease, but with individual asset extension rights. A majority of the land underlying one of these properties is owned by a third party and is ground leased to us through 2044 subject to changes in the CPI; however, our tenant at the property pays this cost directly to the third party.

The following tables show our portfolio by top 10 markets and property type as of March 31, 2025, excluding unfunded commitments:

Market	% of Gross Book Value
Manhattan ⁽¹⁾	21 %
Washington, DC	10
Boston	8
Los Angeles	7
San Francisco	5
Denver	4
Honolulu	3
Nashville	3
Miami	3
Atlanta	2

- (1) Total New York MSA including areas outside of Manhattan makes up 28% of gross book value.

Property Type	% of Gross Book Value
Multifamily	41 %
Office	40
Hotel	11
Life Science	6
Mixed Use and Other	2

Unfunded Commitments

We have unfunded commitments to certain of our Ground Lease tenants related to leasehold improvement allowances that we expect to fund upon the completion of certain conditions. As of March 31, 2025, we had \$32.2 million of such commitments, excluding commitments to be funded by noncontrolling interests.

We also have unfunded forward commitments related to agreements that we entered into for the acquisition of new Ground Leases or additions to existing Ground Leases if certain conditions are met (refer to Note 14 to the

consolidated financial statements). These commitments may also include leasehold improvement allowances that will be funded to the Ground Lease tenants upon the completion of certain conditions. As of March 31, 2025, we had an aggregate \$150.3 million of such commitments. There can be no assurance that the conditions to closing for these transactions will be satisfied and that we will acquire the Ground Leases or fund the leasehold improvement allowances.

Through the Leasehold Loan Fund, we also fund construction and development loans and build-outs of space in real estate assets over a period of time if and when the borrowers and tenants meet established milestones and other performance criteria. We refer to these arrangements as performance-based commitments. As of March 31, 2025, we had \$116.0 million of such commitments.

We also entered into a discretionary commitment to fund up to \$9.0 million of preferred equity in an entity that owned the leasehold interest under one of our office Ground Leases located in Washington, DC and through March 31, 2025, we funded \$1.5 million of the commitment amount. At inception in April 2024, we incurred \$0.4 million of costs creating the entity formed to own the leasehold interest, which resulted in a total investment balance of \$1.9 million and was included in “Deferred expenses and other assets” on our consolidated balance sheet as of December 31, 2024. In May 2025, the leasehold interest was acquired by a new sponsor and we determined our investment was likely not recoverable, which resulted in a \$1.9 million write-off of our preferred equity investment as of March 31, 2025. The write-off is included in “Other expense” in our consolidated statement of operations. We recognized \$1.7 million of interest income from sales-type leases from the Ground Lease in our consolidated statements of operations for the three months ended March 31, 2025.

Results of Operations for the Three Months Ended March 31, 2025 compared to the Three Months Ended March 31, 2025

	<u>For the Three Months Ended March 31,</u> <u>2025</u>	<u>2024</u> <u>(in thousands)</u>	<u>\$ Change</u>
Revenues:			
Interest income from sales-type leases	\$ 69,664	\$ 63,218	\$ 6,446
Operating lease income	21,382	21,003	379
Interest income - related party	2,333	2,357	(24)
Other income	4,298	6,635	(2,337)
Total revenues	<u>97,677</u>	<u>93,213</u>	<u>4,464</u>
Costs and expenses:			
Interest expense	50,426	48,631	1,795
Real estate expense	1,158	1,079	79
Depreciation and amortization	2,196	2,487	(291)
General and administrative	14,132	15,628	(1,496)
Provision for (recovery of) credit losses	2,296	709	1,587
Other expense	2,168	91	2,077
Total costs and expenses	<u>72,376</u>	<u>68,625</u>	<u>3,751</u>
Earnings (losses) from equity method investments	4,992	6,912	(1,920)
Net income (loss) before income taxes	<u>30,293</u>	<u>31,500</u>	<u>(1,207)</u>
Income tax expense	(883)	(471)	(412)
Net income (loss)	<u>\$ 29,410</u>	<u>\$ 31,029</u>	<u>\$ (1,619)</u>

Interest income from sales-type leases increased to \$69.7 million for the three months ended March 31, 2025 from \$63.2 million for the same period in 2024. The increase was due primarily to acquisitions of Ground Leases and additional fundings on existing Ground Leases during 2024 classified as sales-type leases and Ground Lease receivables.

Operating lease income increased to \$21.4 million for the three months ended March 31, 2025 from \$21.0 million for the same period in 2024. Operating lease income consists of rent from our operating leases and percentage rent from certain properties, including our Park Hotels Portfolio. The increase was primarily the result of a \$0.3 million increase in percentage rent at our Park Hotels Portfolio.

Interest income – related party was \$2.3 million and \$2.4 million for the three months ended March 31, 2025 and 2024, respectively, and relates to the Star Holdings Term Loan Facility.

Other income for the three months ended March 31, 2025 and 2024 includes \$3.6 million and \$5.5 million, respectively, of management fees from Star Holdings. Other income for both the three months ended March 31, 2025 and 2024 also includes \$0.1 million of other income relating to a Ground Lease in which we are the lessee but our tenant at the property pays this expense directly under the terms of a master lease. Other income for the three months ended March 31, 2025 and 2024 also includes \$0.6 million and 1.0 million, respectively, of other ancillary income from our investments. Other ancillary income primarily includes sublease income, recoverable expenses and interest income earned on our cash balances.

During the three months ended March 31, 2025 and 2024, we incurred interest expense from our debt obligations of \$50.4 million and \$48.6 million, respectively. The increase in 2025 was primarily the result of increased indebtedness to fund acquisition activity and higher interest rates.

During the three months ended March 31, 2025 and 2024, we incurred real estate expense of \$1.2 million and \$1.1 million, respectively, which consisted primarily of the amortization of an operating lease right-of-use asset, legal fees, property taxes and insurance expense. In addition, during both the three months ended March 31, 2025 and 2024, we also recorded \$0.1 million of real estate expense relating to a Ground Lease in which we are the lessee but our tenant at the property pays this expense directly under the terms of a master lease.

Depreciation and amortization during the three months ended March 31, 2025 and 2024 was \$2.2 million and \$2.5 million, respectively. Depreciation and amortization primarily relates to our ownership of the Park Hotels Portfolio and a multi-family property, the amortization of in-place lease assets and depreciation on corporate fixed assets. The decrease in 2025 was primarily the result of the tenant under our Park Hotels Portfolio electing to extend the leases underlying three of the five hotels under the lease past the initial lease maturity of December 2025.

General and administrative expenses primarily includes public company costs such as compensation (including equity-based compensation), occupancy and other costs. The following table presents our general and administrative expenses for the three months ended March 31, 2025 and 2024 (\$ in thousands):

	For the Three Months Ended	
	March 31,	
	2025	2024
Public company and other costs ⁽¹⁾	\$ 10,645	\$ 10,863
Stock-based compensation	3,487	4,765
Total general and administrative expenses ⁽²⁾	<u>\$ 14,132</u>	<u>\$ 15,628</u>

(1) For the three months ended March 31, 2025 and 2024, public company and other costs primarily includes compensation, legal, insurance and occupancy costs.

(2) For the three months ended March 31, 2025 and 2024, general and administrative expenses were partially offset by \$3.6 million and \$5.5 million, respectively, of management fees earned from Star Holdings, which are included in “Other income” in our consolidated statements of operations.

During the three months ended March 31, 2025, we recorded a provision for credit losses of \$2.3 million. The provision for credit losses was due primarily to current market conditions, including an increase in our Ground Lease cost to value ratios on certain of our assets, and growth in the carrying value of the portfolio during the period. During the three months ended March 31, 2024, we recorded a provision for credit losses of \$0.7 million. The provision was primarily the result of current market conditions, including an increase in our Ground Lease to cost value ratios on our Ground Lease portfolio.

During the three months ended March 31, 2025, other expense consists primarily of a full write-off of a \$1.9 million preferred equity investment in an entity that owned the leasehold interest under one of our Ground Leases (refer to Note 14 to the consolidated financial statements). During the three months ended March 31, 2024, other expense consists primarily of costs related to our derivative transactions.

During the three months ended March 31, 2025, earnings from equity method investments (refer to Note 7 to the consolidated financial statements) resulted from our \$0.9 million share of income from our 425 Park Avenue venture, our \$1.4 million share of income from our 32 Old Slip venture, our \$0.5 million share of income from the Ground Lease Plus Fund and our \$2.2 million share of income from the Leasehold Loan Fund. During the three months ended March 31, 2024, earnings from equity method investments resulted from our \$0.9 million share of income from our 425 Park Avenue venture, our \$1.4 million share of income from our 32 Old Slip venture, our \$0.9 million share of income from the Ground Lease Plus Fund and our \$3.7 million share of income from the Leasehold Loan Fund. The decrease in 2025 was due primarily to a loan repayment at the Leasehold Loan Fund in April 2024 and us buying one asset from the Ground Lease Plus Fund in January 2024 (refer to Note 14 to the consolidated financial statements).

During the three months ended March 31, 2025, we recorded consolidated income tax expense of \$0.9 million, which was primarily attributable to a deferred tax expense at our taxable REIT subsidiary (“TRS”) and relates to equity-based compensation expense and utilization of net operating loss carryovers to which our TRS is a successor. During the three months ended March 31, 2024, we recorded consolidated income tax expense of \$0.5 million, of which a \$0.4 million benefit was attributable to our TRS. Included in our consolidated income tax expense, our TRS recorded a deferred tax expense in the amount of \$0.9 million. The net deferred tax expense relates primarily to equity-based compensation expense and utilization of net operating loss carryovers to which our TRS is a successor.

Liquidity and Capital Resources

Liquidity is a measure of our ability to meet potential cash requirements, including to pay interest and repay borrowings, fund and maintain our assets and operations, complete acquisitions and originations of investments, make distributions to our shareholders and meet other general business needs. In order to qualify as a REIT, we are required under the Internal Revenue Code of 1986 to distribute to our shareholders, on an annual basis, at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding net capital gains. We expect to make quarterly cash distributions to our shareholders sufficient to meet REIT qualification requirements.

We believe the strong credit profile we have established utilizing our modern Ground Leases and our current investment-grade credit ratings from Moody's Investors Services of A3, Fitch Ratings of A- and S&P Global Ratings of BBB+ facilitate our ability to bring commercial real estate owners, developers and sponsors more efficiently priced capital and allows us significant operational and financial flexibility and supports our ability to scale our Ground Lease platform.

On February 4, 2025, our Board authorized the repurchase of up to \$50.0 million of our common stock. We have no obligation to repurchase additional shares, and the timing, actual number and value of the shares that are repurchased, if any, will be at the discretion of management and will depend on a number of factors, including market conditions, the cost of repurchasing shares, the availability of alternative investment opportunities, liquidity, and other factors deemed appropriate. Repurchases may be suspended, terminated or modified at any time for any reason. The share repurchase program does not have an expiration date. Any repurchased shares will be returned to the status of authorized but unissued shares of common stock.

In November 2024 and February 2024, Portfolio Holdings (as issuer) and we (as guarantor), issued an aggregate \$700.0 million principal amount of senior notes. In November 2024, we issued \$400.0 million aggregate principal amount of 5.65% senior notes due January 2035 (the “5.65% Notes”). The 5.65% Notes were issued at 98.812% of the principal amount. In February 2024, we issued \$300.0 million aggregate principal amount of 6.10% senior notes due April 2034 (the “6.10% Notes”). The 6.10% Notes were issued at 98.957% of the principal amount.

In June 2024, we entered into a U.S. commercial paper program (the “Commercial Paper Program”) on a private placement basis, pursuant to which we may issue up to \$750.0 million of short-term, unsecured commercial paper notes outstanding at any time, which are guaranteed by us. Under the Commercial Paper Program, we may issue the commercial paper notes from time to time and intend to use the proceeds for general corporate purposes. The Commercial Paper Program is backed by our 2024 Unsecured Revolver (see below). As of March 31, 2025, we had no outstanding balance under the Commercial Paper Program. Borrowings under the Commercial Paper Program reduce amounts otherwise available under the 2024 Unsecured Revolver.

In April 2024, we closed on a new \$2.0 billion unsecured revolving credit facility (the “2024 Unsecured Revolver”), which replaces our 2021 Unsecured Revolver and 2023 Unsecured Revolver (refer to Note 9 to the consolidated financial statements), each of which were terminated. At the time of termination, \$916 million was drawn on the 2021 Unsecured Revolver, all of which rolled over into the 2024 Unsecured Revolver. The 2024 Unsecured Revolver has a borrowing rate of Adjusted SOFR, as defined in the applicable agreement, plus 0.85%, subject to our credit ratings, with an extended maturity date of May 1, 2029, which includes two six-month extension options. The 2024 Unsecured Revolver replaced our nearest term maturities, reduces the overall facility cost and increased our liquidity by \$150 million. Additionally, we gained greater financial flexibility through changes to certain financial covenants. As of March 31, 2025, there was \$1.3 billion of undrawn capacity on the 2024 Unsecured Revolver.

In April 2023, we entered into an at-the-market equity offering (the “ATM”) pursuant to which we may sell shares of our common stock up to an aggregate purchase price of \$300.0 million. We may sell such shares in amounts and at times to be determined by us from time to time, but we have no obligation to sell any of the shares. Actual sales, if any, will depend on a variety of factors to be determined by us from time to time, including, among other things, market conditions, the trading price of our common stock, capital needs, and our determinations of the appropriate sources of funding. As of March 31, 2025, we had not sold any shares under the ATM.

As of March 31, 2025, we had \$17 million of unrestricted cash. We also have an aggregate \$1.3 billion of undrawn capacity on our new 2024 Unsecured Revolver (refer to Note 9 to the consolidated financial statements). We refer to this unrestricted cash and additional borrowing capacity on our 2024 Unsecured Revolver as our “equity” liquidity which can be used for general corporate purposes or leveraged to acquire or originate new Ground Lease assets. Our primary sources of cash to date have been proceeds from equity offerings and private placements, proceeds from our initial capitalization by iStar and two institutional investors and borrowings from our debt facilities, unsecured notes, Commercial Paper Program and mortgages. Our primary uses of cash to date have been the acquisition/origination of Ground Leases, repayments on our debt facilities and distributions to our shareholders.

We expect our short-term liquidity requirements to include debt service on our debt obligations (refer to Note 9 to the consolidated financial statements), distributions to our shareholders, working capital, new acquisitions and originations of Ground Lease investments. We expect our long-term liquidity requirements to include debt service on our debt obligations (refer to Note 9 to the consolidated financial statements), distributions to our shareholders, working capital, new acquisitions and originations of Ground Lease investments (including in respect of unfunded commitments – refer to Note 10 to the consolidated financial statements) and debt maturities. Our primary sources of liquidity going forward will generally consist of cash on hand and cash flows from operations, new financings, funds from our joint venture partners, unused borrowing capacity under our 2024 Unsecured Revolver (subject to the conditions set forth in the applicable loan agreement) and Commercial Paper Program, and common and/or preferred equity issuances. We expect that we will be able to meet our liquidity requirements over the next 12 months and beyond.

The following table outlines our cash flows provided by (used in) operating activities, cash flows used in investing activities and cash flows provided by financing activities for the three months ended March 31, 2025 and 2024 (\$ in thousands):

	For the Three Months Ended	
	March 31,	
	2025	2024
Cash flows provided by (used in) operating activities	\$ 8,901	\$ (3,064)
Cash flows provided by (used in) investing activities	(7,001)	(74,703)
Cash flows provided by (used in) financing activities	6,965	70,202

The increase in cash flows provided by operating activities during 2025 was due primarily to an increase in accrued expenses, primarily interest expense, that were not yet paid as of March 31, 2025. The decrease in cash flows used in investing activities during 2025 was due primarily to a decrease in Ground Lease fundings in 2025 and the payment of temporary cash collateral for debt obligations in 2024. The decrease in cash flows provided by financing activities during 2025 was due primarily to a decrease in net borrowings on debt obligations.

Supplemental Guarantor Disclosure

In March 2020, the Securities and Exchange Commission (“SEC”) adopted amendments to Rule 3-10 of Regulation S-X and created Rule 13-01 to simplify disclosure requirements related to certain registered securities. The amendments became effective on January 4, 2021. In April 2023, we and Portfolio Holdings filed a registration statement on Form S-3 with the SEC registering, among other securities, debt securities of Portfolio Holdings, which will be fully and unconditionally guaranteed by us. As of March 31, 2025, Portfolio Holdings had issued and outstanding four tranches of unsecured senior notes with varying fixed-rates and maturities ranging from June 2031 to January 2035, which were registered on the Form S-3 filed in April 2023 or on a Form S-3 filed by Safehold Inc. and Portfolio Holdings (then known as Safehold Operating Partnership LP) prior to its merger with the Company (then known as iStar Inc.). The obligations of Portfolio Holdings to pay principal, premiums, if any, and interest on these unsecured senior notes are guaranteed on a senior basis by us. The guarantee is full and unconditional, and Portfolio Holdings is a consolidated subsidiary of ours.

As a result of the amendments to Rule 3-10 of Regulation S-X, subsidiary issuers of obligations guaranteed by the parent are not required to provide separate financial statements, provided that the subsidiary obligor is consolidated into the parent company’s consolidated financial statements, the parent guarantee is “full and unconditional” and, subject to certain exceptions as set forth below, the alternative disclosure required by Rule 13-01 is provided, which includes narrative disclosure and summarized financial information. Accordingly, separate consolidated financial statements of Portfolio Holdings have not been presented. Furthermore, as permitted under Rule 13-01(a)(4)(vi) of Regulation S-X, we have excluded the summarized financial information for Portfolio Holdings because the assets, liabilities and results of operations of Portfolio Holdings are not materially different than the corresponding amounts in our consolidated financial statements, and management believes such summarized financial information would be repetitive and would not provide incremental value to investors.

Critical Accounting Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America (“GAAP”) requires management to make estimates and judgments in certain circumstances that affect amounts reported as assets, liabilities, revenues and expenses. We have established detailed policies and control procedures intended to ensure that valuation methods, including any judgments made as part of such methods, are well controlled, reviewed and applied consistently from period to period. We base our estimates on historical corporate and industry experience and various other assumptions that we believe to be appropriate under the circumstances. For all of these estimates, we caution that future events rarely develop exactly as forecasted, and, therefore, routinely require adjustment.

For a discussion of our critical accounting policies, refer to Note 3 to the consolidated financial statements of our 2024 Annual Report.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market Risks

Our future income, cash flows and fair values relevant to financial instruments are dependent upon prevalent market prices and interest rates. Market risk refers to the risk of loss from adverse changes in market prices and interest rates. One of the principal market risks facing us is interest rate risk on our floating rate indebtedness.

Subject to qualifying and maintaining our qualification as a REIT for U.S. federal income tax purposes, we may mitigate the risk of interest rate volatility through the use of hedging instruments, such as interest rate swap agreements and interest rate cap agreements. Our primary objectives when undertaking hedging transactions will be to reduce our floating rate exposure and to fix a portion of the interest rate for anticipated financing and refinancing transactions. However, we can provide no assurances that our efforts to manage interest rate volatility will successfully mitigate the risks of such volatility on our portfolio. Our current portfolio is not subject to foreign currency risk.

Our objectives with respect to interest rate risk are to limit the impact of interest rate changes on operations and cash flows, and to lower our overall borrowing costs. To achieve these objectives, we may borrow at fixed rates and may enter into hedging instruments such as interest rate swap agreements and interest rate cap agreements in order to mitigate our interest rate risk on a related floating rate financial instrument. We do not enter into derivative or interest rate transactions for speculative purposes.

As of March 31, 2025, we had \$3.6 billion principal amount of fixed-rate debt outstanding and \$0.8 billion principal amount of floating-rate debt outstanding. The following table quantifies the potential changes in annual net income should interest rates decrease or increase by 10, 50 and 100 basis points, assuming no change in our interest earning assets, interest bearing liabilities, derivative contracts or the shape of the yield curve (i.e., relative interest rates). Actual results could differ significantly from those estimated in the table.

Estimated Change In Net Income

(\$ in thousands)⁽¹⁾

Change in Interest Rates	Net Income (Loss)
-100 Basis Points	\$ 2,869
-50 Basis Points	1,434
-10 Basis Points	286
Base Interest Rate	—
+10 Basis Points	(286)
+ 50 Basis Points	(1,431)
+100 Basis Points	(2,862)

(1) The table above includes the effect of interest rate swaps and our share of the impact of floating-rate loans in our Leasehold Loan Fund.

Item 4. Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and its Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Company has formed a disclosure committee that is responsible for considering the materiality of information and determining the disclosure obligations of the Company on a timely basis. The disclosure committee reports directly to the Company's Chief Executive Officer and Chief Financial Officer.

As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the disclosure committee and other members of management, including its Chief Executive

Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) or Rule 15d-15. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures, as of the end of the period covered by this report, were effective to provide reasonable assurance that the information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is: (i) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms; and (ii) accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding disclosure.

There have been no changes in the Company's internal control over financial reporting during the period covered by this quarterly report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Notwithstanding the foregoing, a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that it will detect or uncover failures within the Company to disclose material information otherwise required to be set forth in the Company's periodic reports.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently party to any pending legal proceedings that we believe could have a material adverse effect on our business or financial condition. However, we may be subject to various claims and legal actions arising in the ordinary course of business from time to time.

Item 1A. Risk Factors

There were no material changes from the risk factors previously disclosed in our 2024 Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

We did not have any sales of unregistered shares of our common stock during the three months ended March 31, 2025.

Issuer Purchases of Equity Securities

	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid per Share</u>	<u>Total Number of Shares Purchased as Part of a Publicly Announced Plans or Programs</u>	<u>Maximum Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs⁽¹⁾</u>
January 1 to January 31	—	\$ —	—	\$ —
February 1 to February 28	—	\$ —	—	\$ 50,000,000
March 1 to March 31	—	\$ —	—	\$ 50,000,000

- (1) On February 4, 2025, our Board authorized the repurchase of up to \$50.0 million of our common stock. We have no obligation to repurchase additional shares, and the timing, actual number and value of the shares that are repurchased, if any, will be at the discretion of management and will depend on a number of factors, including market conditions, the cost of repurchasing shares, the availability of alternative investment opportunities, liquidity, and other factors deemed appropriate. Repurchases may be suspended, terminated or modified at any time for any reason. The share repurchase program does not have an expiration date. Any repurchased shares will be returned to the status of authorized but unissued shares of common stock.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

INDEX TO EXHIBITS

Exhibit Number	Document Description
2.1	Agreement and Plan of Merger, dated as of August 10, 2022, by and between iStar Inc. and Safehold Inc. (incorporated by reference to Exhibit 2.1 of our Current Report on Form 8-K, filed August 11, 2022).
3.1	Amended and Restated Charter of Safehold Inc. (incorporated by reference to Exhibit 3.3 to our Current Report on Form 8-K, filed April 4, 2023).
3.2	Amended and Restated Bylaws of Safehold Inc. (incorporated by reference to Exhibit 3.4 to our Current Report on Form 8-K, filed April 4, 2023).
10.1	Second Amendment to Amended and Restated Credit Agreement, dated as of March 28, 2025, by and between Safehold Inc., as lender, and Star Holdings, as borrower (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed March 31, 2025).
10.2	First Amendment to Management Agreement, dated as of March 28, 2025, by and between Safehold Management Services Inc. and Star Holdings (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K, filed March 31, 2025).
22.1*	Subsidiary Guarantors and Issuers of Guaranteed Securities.
31.0*	Certifications pursuant to Section 302 of the Sarbanes-Oxley Act.
32.0*	Certifications pursuant to Section 906 of the Sarbanes-Oxley Act.
101**	The following financial information from the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2025 is formatted in iXBRL ("eXtensible Business Reporting Language"): (i) the Consolidated Balance Sheets (unaudited) as of March 31, 2025 and December 31, 2023; (ii) the Consolidated Statements of Operations (unaudited) for the three months ended March 31, 2025 and 2023; (iii) the Consolidated Statements of Comprehensive Income (Loss) (unaudited) for the three months ended March 31, 2025 and 2023; (iv) the Consolidated Statements of Changes in Equity (unaudited) for the three months ended March 31, 2025 and 2023; (v) the Consolidated Statements of Cash Flows (unaudited) for the three months ended March 31, 2025 and 2023; and (vi) the Notes to the Consolidated Financial Statements (unaudited).
104	Cover Page Interactive Data File (formatted in iXBRL and contained in Exhibit 101)

* Filed herewith.

** In accordance with Rule 406T of Regulation S-T, the iXBRL related information in Exhibit 101 is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Exchange Act of 1934 and otherwise is not subject to liability under these sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Safehold Inc.
Registrant

Date: May 7, 2025

/s/ JAY SUGARMAN

Jay Sugarman
*Chairman of the Board of Directors and Chief
Executive Officer (principal executive officer)*

Safehold Inc.
Registrant

Date: May 7, 2025

/s/ BRETT ASNAS

Brett Asnas
*Chief Financial Officer
(principal financial officer and principal accounting officer)*

List of Issuers of Guaranteed Securities

As of March 31, 2025, the following subsidiary was the issuer of the 2.80% senior notes due June 2031, the 2.85% senior notes due January 2032, the 6.10% senior notes due April 2034 and the 5.65% senior notes due January 2035 guaranteed by Safehold Inc.

Name of Subsidiary

Safehold GL Holdings LLC

Jurisdiction of Organization

Delaware



CERTIFICATION

I, Jay Sugarman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Safehold Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2025

By: /s/ JAY SUGARMAN

Name: Jay Sugarman

Title: *Chief Executive Officer*

CERTIFICATION

I, Brett Asnas, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Safehold Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2025

By: /s/ BRETT ASNAS

Name: Brett Asnas

Title: *Chief Financial Officer (principal financial officer)*

Certification of Chief Executive Officer**Pursuant to Section 906 of The Sarbanes-Oxley Act of 2002**

The undersigned, the Chief Executive Officer of Safehold Inc. (the "Company"), hereby certifies on the date hereof, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 (the "Form 10-Q"), filed concurrently herewith by the Company, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2025

By: /s/ JAY SUGARMAN

Name: Jay Sugarman

Title: *Chief Executive Officer*

Certification of Principal Financial Officer

Pursuant to Section 906 of The Sarbanes-Oxley Act of 2002

The undersigned, the Chief Financial Officer of Safehold Inc. (the "Company"), hereby certifies on the date hereof, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 (the "Form 10-Q"), filed concurrently herewith by the Company, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2025

By: /s/ BRETT ASNAS

Name: Brett Asnas

Title: *Chief Financial Officer (principal financial officer)*
