

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): October 31, 2023

Safehold Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation)

001-15371
(Commission File
Number)

95-6881527
(IRS Employer
Identification Number)

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

10036
(Zip Code)

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

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

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

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

Item 2.02 Results of Operations and Financial Condition.

On October 31, 2023, Safehold Inc. issued an earnings release and made available on its website an earnings presentation for the quarter ended September 30, 2023. A copy of the earnings release and earnings presentation are attached as Exhibit 99.1 and Exhibit 99.2, respectively, hereto and incorporated herein by reference.

The information in this Current Report, including the exhibits hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, unless it is specifically incorporated by reference therein.

Item 7.01 Regulation FD Disclosure.

On October 31, 2023, Safehold Inc. made available on its website an earnings presentation for the quarter ended September 30, 2023. A copy of the earnings presentation is attached as Exhibit 99.2 hereto and incorporated by reference.

The earnings presentation, including Exhibit 99.2 hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, unless it is specifically incorporated by reference therein.

Item 9.01 Financial Statements and Exhibits.

Exhibit 99.1 [Earnings Release.](#)

Exhibit 99.2 [Earnings Presentation.](#)

Exhibit 104 Inline XBRL for the cover page of this Current Report on Form 8-K.

SIGNATURE

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

Safehold Inc.

Date: October 31, 2023

By: _____
/s/ BRETT ASNAS
Brett Asnas
Chief Financial Officer



Press Release

Safehold Reports Third Quarter 2023 Results

NEW YORK, October 31, 2023

Safehold Inc. (NYSE: SAFE) reported results for the third quarter 2023.

SAFE published a presentation detailing these results which can be found on its website, www.safeholdinc.com in the "Investors" section.

Highlights from the earnings announcement include:

- ¾ Q3'23 revenue was \$85.6 million
- ¾ Q3'23 net income attributable to common shareholders was (\$123.0) million which includes a (\$145.4) million non-cash full impairment of Goodwill related to the merger, or \$22.5 million excluding this impairment and other merger and Caret related costs
- ¾ Q3'23 earnings per share was (\$1.81), including a loss of (\$2.14) per share related to the non-cash full impairment of Goodwill related to the merger, or \$0.33 excluding this impairment and other merger and Caret related costs
- ¾ Closed \$53 million of new originations during the quarter and post quarter-end, bringing total aggregate portfolio to \$6.4 billion
- ¾ \$152 million of equity raised, including pro rata 8.5% participation from certain affiliates of MSD Partners, L.P., and management participation of \$1.4 million
- ¾ Received credit ratings upgrade to A3 from Moody's Investors Services

"Amid ongoing uncertainty and volatility in the market, Safehold remains committed to making the modern ground lease an important tool to increase stability and resiliency in the real estate industry," said Jay Sugarman, Chairman and Chief Executive Officer. "With \$850 million of available liquidity, a strong balance sheet and recent credit ratings upgrade to A3, we will be disciplined and opportunistic, looking to provide our customers with efficient capital as real estate activity resumes."

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New York, NY 10036
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The Company will host an earnings conference call reviewing this presentation beginning at 9:00 a.m. ET on Wednesday, November 1, 2023. This conference call will be broadcast live and can be accessed by all interested parties through Safehold's website and by using the dial-in information listed below:

Dial-In: 877.545.0523

International: 973.528.0016

Access Code: 818663

A replay of the call will be archived on the Company's website. Alternatively, the replay can be accessed via dial-in from 2:00 p.m. ET on November 1, 2023 through 12:00 a.m. ET on November 15, 2023 by calling:

Replay: 877.481.4010

International: 919.882.2331

Access Code: 49301

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Non-GAAP Financial Measures:

Net income attributable to Safehold Inc. common shareholders excluding merger & Caret related costs and non-recurring gains and EPS excluding merger & Caret related costs and non-recurring gains are non-GAAP measures used as supplemental performance measures to give management and investors a view of net income and EPS more directly derived from operating activities in the period in which they occur. Net income attributable to Safehold Inc. common shareholders excluding merger & Caret related costs and non-recurring gains is calculated as net income (loss) attributable to common shareholders, prior to the effect of non-recurring gains, and charges related to the merger, administration of Caret, origination of the Secured Term Loan to SAFE and goodwill impairment, all as adjusted to exclude corresponding amounts allocable to noncontrolling interests. It should be examined in conjunction with net income (loss) attributable to common shareholders as shown in our consolidated statements of operations. EPS excluding merger & Caret related costs and non-recurring gains is calculated as net income attributable to Safehold Inc. common shareholders excluding merger & Caret related costs and non-recurring gains divided by the weighted average number of common shares. These metrics should not be considered as alternatives to net income (loss) attributable to common shareholders or EPS, respectively (in each case determined in accordance with generally accepted accounting principles in the United States of America ("GAAP")). These measures may differ from similarly-titled measures used by other companies. Reconciliations of these non-GAAP financial measures to their most directly comparable GAAP financial measures are presented below.

Earnings Reconciliation (all figures in thousands except per share figures)¹

Net income attributable to Safehold Inc. common shareholders	(\$122,696)
Add: Impairment of Goodwill	145,365
Add: Other merger & Caret related costs	60
Net income excluding merger & Caret related costs	\$22,456
Weighted average number of common shares	67,979
EPS excluding merger & Caret related costs	\$0.33

¹ All numbers net of impact attributable to noncontrolling interests.

About Safehold:

Safehold Inc. (NYSE: SAFE) is revolutionizing real estate ownership by providing a new and better way for owners to unlock the value of the land beneath their buildings. Having created the modern ground lease industry in 2017, Safehold continues to help owners of high quality multifamily, office, industrial, hospitality, student housing, life science and mixed-use properties generate higher returns with less risk. The Company, which is taxed as a real estate investment trust (REIT), seeks to deliver safe, growing income and long-term capital appreciation to its shareholders. Additional information on Safehold is available on its website at www.safeholdinc.com.

Company Contact:

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Q3'23
Earnings Results



Forward-Looking Statements and Other Matters

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

The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: (1) any delay in or our inability to realize the expected benefits of the recently consummated merger of Safehold Inc. and iStar Inc. ("STAR") and/or our recently consummated spin-off of Star Holdings (collectively, the "transactions"); (2) changes in tax laws, regulations, rates, policies or interpretations; (3) the risk of unexpected significant transaction costs and/or unknown liabilities related to the transactions; (4) potential litigation relating to the transactions; (5) the impact of actions taken by significant stockholders; (6) general economic and business conditions; (7) market demand for ground lease capital; (8) the Company's ability to source new ground lease investments; (9) the availability of funds to complete new ground lease investments; (10) risks that the rent adjustment clauses in the Company's leases will not adequately keep up with changes in market value and inflation; (11) risks associated with certain tenant and industry concentrations in our portfolio; (12) conflicts of interest and other risks associated with our relationship with Star Holdings and other significant investors; (13) risks associated with using debt to fund the Company's business activities (including changes in interest rates and/or credit spreads, the ability to source financing at rates below the capitalization rates of our assets, and refinancing and interest rate risks); (14) risks that we will be unable to realize incremental value from the UCA in our Owned Residual Portfolio; (15) the value that will be attributed to Caret units in the future; (16) risks that tenant rights in certain of our ground leases will limit or eliminate the Owned Residual Portfolio realizations from such properties; (17) general risks affecting the real estate industry and local real estate markets (including, without limitation, the potential inability to enter into or renew ground leases at favorable rates, including with respect to contractual rate increases or participating rent); (18) dependence on the creditworthiness of our tenants and their financial condition and operating performance; (19) escalating geopolitical tensions as a result of the war in Ukraine and the evolving conflict in Israel and surrounding areas; and (20) competition from other ground lease investors and risks associated with our failure to qualify for taxation as a REIT, as amended. Please refer to the section entitled "Risk Factors" included as Exhibit 99.3 to our 8-K filed on April 4, 2023 and any subsequent reports filed with the Securities and Exchange Commission (SEC) for further discussion of these and other investment considerations. The Company expressly disclaims any responsibility to update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. This presentation also contains modeling and information relating to potential inflation, which are presented for illustrative purposes only, and are not guarantees or otherwise necessarily indicative of future performance. In addition, this presentation contains certain figures, projections and calculations based in part on management's underlying assumptions. Management believes these assumptions are reasonable; however, other reasonable assumptions could provide differing outputs.

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

Note: Please refer to the Glossary at the end of this presentation for a list of defined terms and metrics. Everything as of 9/30/23 unless otherwise noted.

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

Inflation Adjusted Yield / CPI Adjustments: SafeholdTM originated ground leases typically include a periodic rent increase based on prior years cumulative CPI growth with the initial lookback year generally starting between lease year 11 and 21. These CPI lookbacks are generally capped between 3.0% - 3.5% per annum compounded. In the event cumulative inflation growth for the lookback period exceeds the cap, the excess is not captured by the CPI lookback. Other forms of inflation capture include fair market value resets and percentage rent, typically for acquired ground leases. 83% of our portfolio as determined by cash rent has some form of a CPI lookback and 95% of our portfolio as determined by cash rent has some form of inflation capture. For Inflation Adjusted Yield calculation assumes current FRED 30-yr Breakeven Inflation Rate of 2.34% annually. (Federal Reserve Bank of St. Louis, 30-year Breakeven Inflation Rate, retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/T30YIEM>, October 30, 2023)

Rent Coverage / Property NOI: The Company uses estimates of the stabilized Property NOI for Rent Coverage calculations if it does not receive current tenant information or if the properties are under construction / in transition. These estimates are based on leasing activity at the property, third property appraisals and available market information, such as leasing activity at comparable properties in the relevant market.

Investor Relations Contact

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Q3'23 Highlights

Capital Markets Activities

\$152m Equity Raise

7.1m Shares at
\$21.40/sh
(0.7m Shares Sold to
MSD and insiders)

Moody's Upgrade to A3

Credit Ratings Upgrade
from Baa1 to A3
Post Quarter End

Portfolio Metrics¹

\$6.4b / \$10.0b

Total Portfolio
Aggregate GBV² /
Total Portfolio
Estimated UCA

42% / 3.7x

GLTV³ /
Rent Coverage⁴

Capital Sources

\$858 Million

Cash & Credit Facility
Availability⁵

\$462 Million⁶

(SAFE \$254m, Partner \$208m)

Remaining Capital in the
Joint Venture with Leading
Sovereign Wealth Fund

Note: Refer to Appendix for Unrealized Capital Appreciation Details, Portfolio Reconciliation and Glossary for more details.

(1) Represents Core Ground Lease Portfolio.

(2) Includes \$212m of Safehold's forward commitments (including amounts to be paid to a fund partially owned by us) that have not yet been funded as of 9/30/23. There can be no assurance that Safehold will fully fund these transactions.

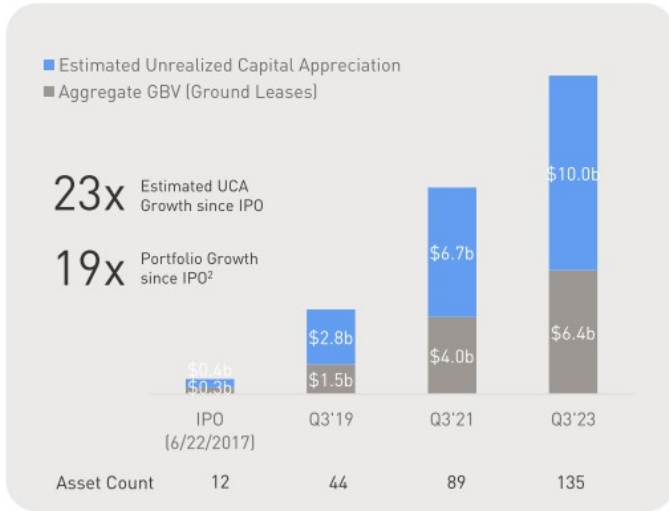
(3) The CPV used to calculate GLTV is generally based on independent appraisals; however, the Company will use actual sales prices / management estimates for recently acquired and originated ground leases for which appraisals are not yet available.

(4) The Company uses estimates of the stabilized Property NOI for Rent Coverage calculations if it does not receive current tenant information or if the properties are under construction / in transition. These estimates are based on leasing activity at the property, third party appraisals and available market information, such as leasing activity at comparable properties in the relevant market.

(5) Based on cash & cash equivalents and unused capacity of the unsecured revolving credit facilities as of 9/30/23.

(6) Safehold target commitment of \$275m and partner target commitment of \$225m. Each party's commitment is discretionary. Numbers above includes full commitment of the existing assets of \$38m, in which \$24m is forward commitments (Safehold \$13m, Partner \$11m). There can be no assurance that Safehold will fully fund these transactions.

Portfolio Growth¹



Originations

Q3 Activity

- One new origination of \$19m
- Fully funded
- Multifamily ground lease
- 43% GLTV³ / 3.2x Rent Coverage⁴
- 7.1% Economic Yield

Post Quarter End

- Two new originations of \$34m
- Fully funded
- Multifamily ground leases
- 40% GLTV³ / 3.0x Rent Coverage⁴
- 7.3% Economic Yield

Portfolio Total Square Feet: 34.1m⁵

Q3 Fundings

Multifamily	Office	Hotel	Life Science	Other
15.8m SF 17.6k Units	12.5m SF	3.8m SF 5.1k Keys	1.3m SF	0.7m SF

\$88m

- \$19m new ground leases (7.1% Economic Yield)
- \$60m existing ground leases (5.8% Economic Yield)
- \$9m Leasehold Loan Fund (SOFR+595)

Note: Please see the "Important Note re COVID-19" in the front of this presentation for a statement about metrics this quarter. Please see "Unrealized Capital Appreciation Details" in the Appendix for more information.

(1) Represents Core Ground Lease Portfolio unless otherwise noted.

(2) The portfolio is presented using Aggregate Gross Book Value. As of 9/30/23, the portfolio included \$212m of Safehold's forward commitments (including amounts to be paid to a fund partially owned by us) that have not yet been funded (such funding commitments are subject to certain conditions). There can be no assurance Safehold will fully fund these transactions.

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

(4) The Company uses estimates of the stabilized Property NOI for Rent Coverage calculations if it does not receive current tenant information or if the properties are under construction / in transition. These estimates are based on leasing activity at the property, third party appraisals and available market information, such as leasing activity at comparable properties in the relevant market.

(5) Square footage and total units/keys are based on information provided by the building owners, public records, broker reports and other third-party sources and are based on the primary usage of the building. No assurance can be made to the accuracy of these figures.

Earnings Results

- Y/Y decline in GAAP Net Income and EPS includes \$145.4m (\$2.14/sh) for the full impairment of goodwill
 - Market capitalization has persisted below Safehold's book equity which triggered a GAAP goodwill impairment
- Y/Y decline in EPS excluding merger & Caret related costs and non-recurring gains was primarily due to:
 - \$2.0m (\$0.03/sh) due to G&A of internalized structure¹ vs. previous external management structure
 - \$1.9m (\$0.03/sh) non-recurring expense on a terminated option to purchase a ground lease

		Q3'23	Q3'22	Y/Y Change	YTD'23	YTD'22	Y/Y Change
Revenues		\$85.6m	\$71.7m	19%	\$249.6m	\$196.9m	27%
Net Income (Loss) Attributable to Safehold Inc. common shareholders	GAAP	(\$123.0m)	\$66.1m	-286%	(\$96.2m)	\$113.6m	-185%
	Excluding Merger & Caret Related Costs and Non-Recurring Gains ²	\$22.5m	\$25.5m	-12%	\$71.3m	\$73.5m	-3%
Earnings (Loss) Per Share	GAAP	(\$1.81)	\$1.04	-274%	(\$1.47)	\$1.83	-180%
	Excluding Merger & Caret Related Costs and Non-Recurring Gains ²	\$0.33	\$0.40	-18%	\$1.09	\$1.19	-8%
Share Count (Basic & Diluted)	GAAP	68.0m	63.4m	7%	65.2m	62.0m	5%

Note: Please refer the "Earnings Reconciliation" section of the Appendix for more information with regard to the calculation of net income attributable to Safehold Inc. common shareholders excluding merger & Caret related costs and non-recurring gains for the period.

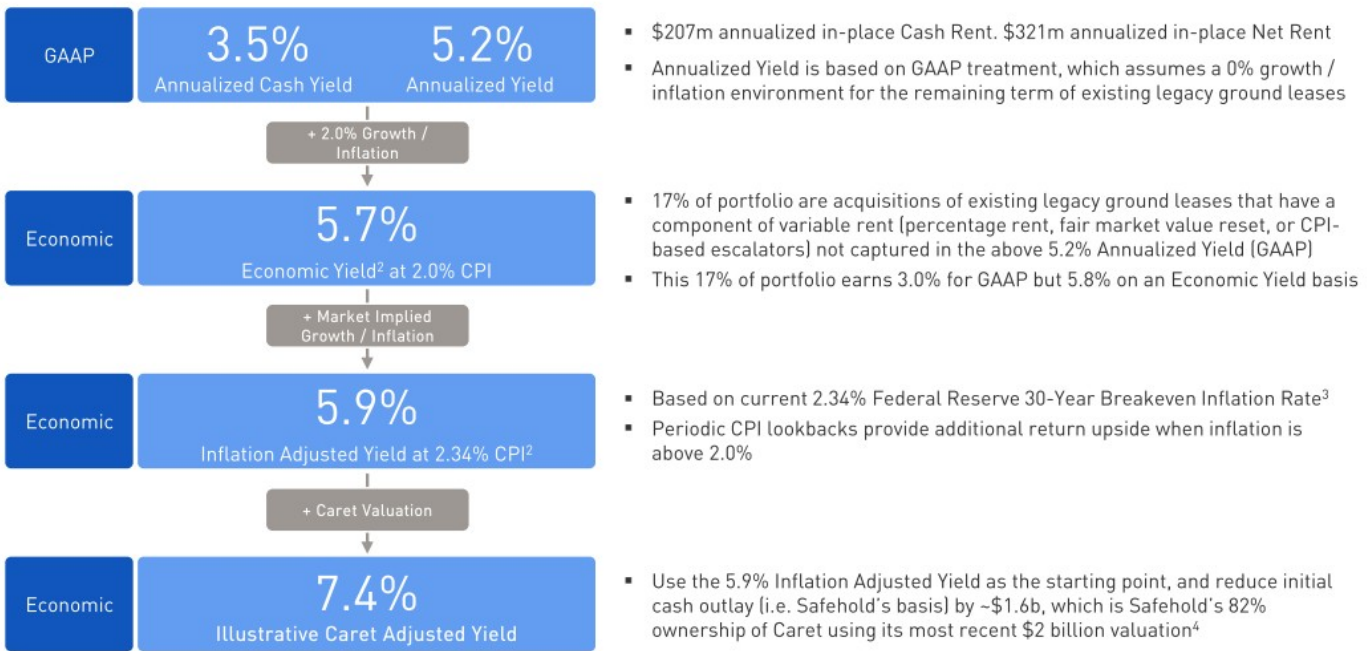
(1) Represents increase in G&A of \$8.3m offset by management fee income of \$6.0m and sublease income of \$0.3m.

(2) Merger related costs were \$145.4m in Q3'23 and \$167.4m YTD'23. Q3'23 includes \$145.4m full impairment of goodwill and \$0.1m merger and Caret related costs. YTD'23 includes \$145.4m full impairment of goodwill, \$10.1m expenses and reserves primarily related to legal, tax, accounting and advisors, \$6.7m transfer tax and \$5.3m G&A primarily related to the termination of pre-existing iStar incentive plans and other miscellaneous items. Q3'22 and YTD'22 had \$5.8m and \$6.3m of such costs, respectively, primarily related to legal, tax and accounting. Non-recurring gains were \$46.4m in Q3'22 and YTD'22. There were no non-recurring gains in Q3'23 or YTD'23. All numbers are net of impact attributable to noncontrolling interests.

Safehold | The Ground Lease Company | November 2023

Portfolio Yields

(Core Ground Lease Portfolio Gross Book Value: \$6.2b on 92-Year W.A. Lease Term w/ Ext.)¹



Note: Refer to the Glossary in the Appendix for yield calculations and additional details. Represents Core Ground Lease Portfolio.

(1) Does not include \$212m of Safehold's forward commitments (including amounts to be paid to a fund partially owned by us).

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

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

(4) In conjunction with the merger, MSD committed to buy 1.0% of the total outstanding Caret Units for \$20m with no redemption rights in November 2022 and certain other investors committed to buy an aggregate of 22,500 Caret Units on the same terms and conditions in November 2022. Purchase closed on 3/31/23 in connection with the merger.

Portfolio Diversification

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

\$6.2b Core Ground Lease Portfolio
(92-year w.a. extended lease term)



Top 10 Markets [% of GBV, Count, Rent Coverage², GLTV³]

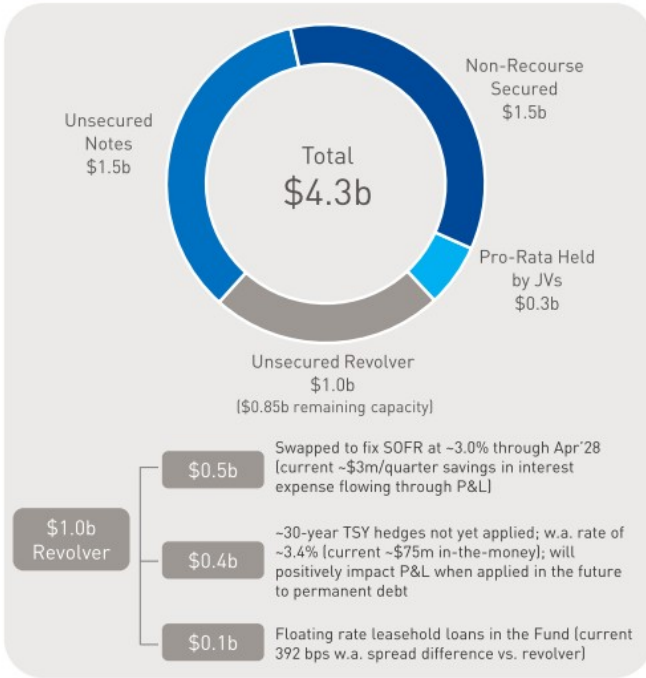
1. **Manhattan** (23%)¹ – 10 Assets (3.1x, 48%)
2. **Washington D.C.** (11%) – 17 Assets (4.2x, 43%)
3. **Boston** (7%) – 3 Assets (3.4x, 44%)
4. **Los Angeles** (7%) – 8 Assets (3.7x, 35%)
5. **San Francisco** (4%) – 5 Assets (3.2x, 51%)
6. **Denver** (4%) – 6 Assets (3.1x, 48%)
7. **Honolulu** (4%) – 2 Assets (6.0x, 40%)
8. **Nashville** (4%) – 5 Assets (3.1x, 37%)
9. **Miami** (3%) – 6 Assets (3.7x, 35%)
10. **Atlanta** (3%) – 7 Assets (3.8x, 37%)

Portfolio by Count							Total	GBV %	Rent Coverage ²	GLTV ³
Northeast	West	Mid Atlantic	Southeast	Southwest	Central					
Multifamily	9	21	11	22	6	4	73	37%	3.6x	36%
Office	10	7	9	5	4	1	36	43%	3.5x	48%
Hotel	2	8	1	1	4	0	16	12%	4.3x	44%
Mixed Use & Other	1	1	0	2	0	1	5	3%	3.2x	44%
Life Science	1	2	2	0	0	0	5	5%	4.8x	41%
Total	23	39	23	30	14	6	135	100%	3.7x	42%

Note: Represents Core Ground Lease Portfolio. Based on Gross Book Value of \$6.2b, which excludes \$212m of Safehold's forward commitments (including amounts to be paid to a fund partially owned by us). There can be no assurance that Safehold will fully fund any forward commitments.
 (1) Total New York MSA including areas outside of Manhattan makes up 29% of GBV (18 assets).
 (2) The Company uses estimates of the stabilized Property NOI for Rent Coverage calculations if it does not receive current tenant information or if the properties are under construction / in transition. These estimates are based on leasing activity at the property, third party appraisals and available market information, such as leasing activity at comparable properties in the relevant market.
 (3) The CPV used to calculate GLTV is generally based on independent appraisals; however, the Company will use actual sales prices / management estimates for recently acquired and originated ground leases for which appraisals are not yet available. We currently intend that the CPV associated with each Ground Lease in our portfolio will be valued approximately every 12 calendar months and no less frequently than every 24 months.

Capital Structure

Debt Overview



22.5-year w.a. maturity¹

No corporate maturities due until 2026 (Revolver)

(1) Includes JV debt and excludes outstanding borrowings under the Company's unsecured revolving credit facilities.
 (2) Based on SAFE closing share price of \$16.30 on October 30, 2023.
 (3) Represents yields on the Core Ground Lease Portfolio.

Ratings & Metrics

A3
 (Stable Outlook)
Moody's

BBB+
 (Positive Outlook)
Fitch

Upgrade from Baa1 to A3 on 10/2/23 by Moody's

*"The ratings upgrade was based on Safehold's reduced governance risks following the recent merger and the company's solid financial performance, including strong asset quality and conservative leverage."
 - Moody's Credit Opinion, 10/2/23*

Debt and Liquidity Metrics	Q3'23	Interest Rates and Spreads ^{1,3}	Q3'23
Total debt	\$4,252m	Annualized Yield	5.2%
Total book equity	\$2,299m	Effective Interest Rate	3.8%
Equity market cap ²	\$1,158m	Effective Spread	136 bps
Total debt / book equity	1.8x		
Total debt / equity market cap	3.7x	Annualized Cash Yield	3.5%
		Cash Interest Rate	3.3%
Unencumbered assets	\$3,798m	Cash Spread	16 bps
Cash & credit facility availability	\$858m		

Appendix

Income Statement

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Revenues:				
Interest income from sales-type leases	\$59,130	\$54,736	\$174,350	\$146,014
Operating lease income	16,715	16,507	54,366	49,925
Interest income - related party	2,381	-	4,762	-
Other income	7,335	453	16,073	1,004
Total revenues	\$85,561	\$71,696	\$249,551	\$196,943
Costs and expenses:				
Interest expense	\$46,553	\$35,463	\$133,482	\$91,050
Real estate expense	1,001	866	3,219	2,272
Depreciation and amortization	2,519	2,407	7,444	7,215
General and administrative	10,403	9,499	31,716	27,685
General and administrative - stock-based compensation	7,457	52	20,127	1,518
Impairment of goodwill	145,365	-	145,365	-
Provision for credit losses	336	-	2,625	-
Other expense	2,169	6,073	17,532	6,777
Total costs and expenses	\$215,803	\$54,360	\$361,510	\$136,517
Gain on sale of Net Investment in Lease	-	\$55,811	-	\$55,811
Income (loss) from operations before other items	(\$130,242)	\$73,147	(\$111,959)	\$116,237
Earnings from equity method investments	7,451	2,244	16,520	6,772
Net income (loss) before income taxes	(\$122,791)	\$75,391	(\$95,439)	\$123,009
Income tax expense	(55)	-	(580)	-
Net income (loss)	(\$122,846)	\$75,391	(\$96,019)	\$123,009
Net (income) loss attributable to noncontrolling interests	(123)	(9,314)	(138)	(9,381)
Net income (loss) attributable to Safehold Inc. common shareholders	(\$122,969)	\$66,077	(\$96,157)	\$113,628
Weighted avg. share count (basic & diluted)	67,979	63,393	65,214	61,991
Earnings (loss) per share (basic & diluted)	(\$1.81)	\$1.04	(\$1.47)	\$1.83

Note: Figures in thousands except for per share amounts.
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Balance Sheet

	As of September 30, 2023	As of December 31, 2022
Assets:		
Net investment in sales-type leases	\$3,182,592	\$3,106,599
Ground Lease receivables, net	1,563,670	1,374,716
Real estate:		
Real estate, at cost	744,571	740,971
Less: accumulated depreciation	(38,892)	(34,371)
Real estate, net	705,679	706,600
Real estate-related intangible assets, net	212,771	217,795
Real estate available and held for sale	7,216	-
Total real estate, net, real estate-related intangible assets, net and real estate available and held for sale	925,666	924,395
Loans receivable, net - related party	112,088	-
Equity investments	287,118	180,388
Cash and cash equivalents	11,483	20,066
Restricted cash	27,978	28,324
Deferred tax assets, net	7,173	-
Deferred operating lease income receivable	172,284	148,870
Deferred expenses and other assets, net	153,139	67,564
Total assets	\$6,443,191	\$5,850,922
Liabilities:		
Accounts payable, accrued expenses, and other liabilities	\$122,986	\$100,357
Real estate-related intangible liabilities, net	63,963	64,591
Debt obligations, net	3,937,827	3,521,359
Total liabilities	\$4,124,776	\$3,686,307
Redeemable noncontrolling interests	\$19,011	\$19,011
Equity:		
Safehold Inc. shareholders' equity:		
Common stock	\$710	\$624
Additional paid-in capital	2,183,034	1,986,417
Retained earnings	19,124	151,226
Accumulated other comprehensive income	61,459	3,281
Total Safehold Inc. shareholders' equity	\$2,264,327	\$2,141,548
Noncontrolling interests	\$35,077	\$4,056
Total equity	\$2,299,404	\$2,145,604
Total liabilities, redeemable noncontrolling interests and equity	\$6,443,191	\$5,850,922

Note: Figures in thousands.

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Portfolio Reconciliation

	IPO (6/22/17)	9/30/19	9/30/20	9/30/21	9/30/22	9/30/23
Net investment in Sales-Type Leases	-	\$465	\$1,089	\$1,802	\$3,066	\$3,183
Ground Lease receivables	-	73	\$480	\$691	\$1,327	\$1,564
Pro-rata interest in Ground Leases held as equity method investments	-	-	\$344	\$439	\$444	\$480
Real estate, net (Operating Leases)	\$265	\$673	\$687	\$714	\$708	\$702 ⁽¹⁾
Add: Accumulated depreciation	1	15	21	27	33	39
Add: Lease intangible assets, net	123	245	239	223	219	213
Add: Accumulated amortization	1	14	21	27	34	41
Add: Other assets	-	25	24	23	22	21
Add: CECL allowance	-	-	-	-	-	1
Less: Lease intangible liabilities, net	(51)	(57)	(57)	(66)	(65)	(64)
Less: Noncontrolling interest	-	(2)	(2)	(2)	(2)	(9)
Gross Book Value	\$339	\$1,450	\$2,845	\$3,879	\$5,786	\$6,171
Add: Forward Commitments	-	83	34	94	297	212
Aggregate Gross Book Value	\$339	\$1,534	\$2,879	\$3,973	\$6,083	\$6,383
Less: Accruals to net investment in leases and ground lease receivables	-	(2)	(33)	(87)	(155)	(243)
Aggregate Cost Basis	\$339	\$1,531	\$2,847	\$3,886	\$5,929	\$6,140
Less: Forward Commitments	-	(83)	(34)	(94)	(297)	(212)
Cost Basis	\$339	\$1,448	\$2,813	\$3,792	\$5,631	\$5,928

Note: Figures in thousands. Represents Core Ground Lease Portfolio.
(1) Excludes \$4m other assets.
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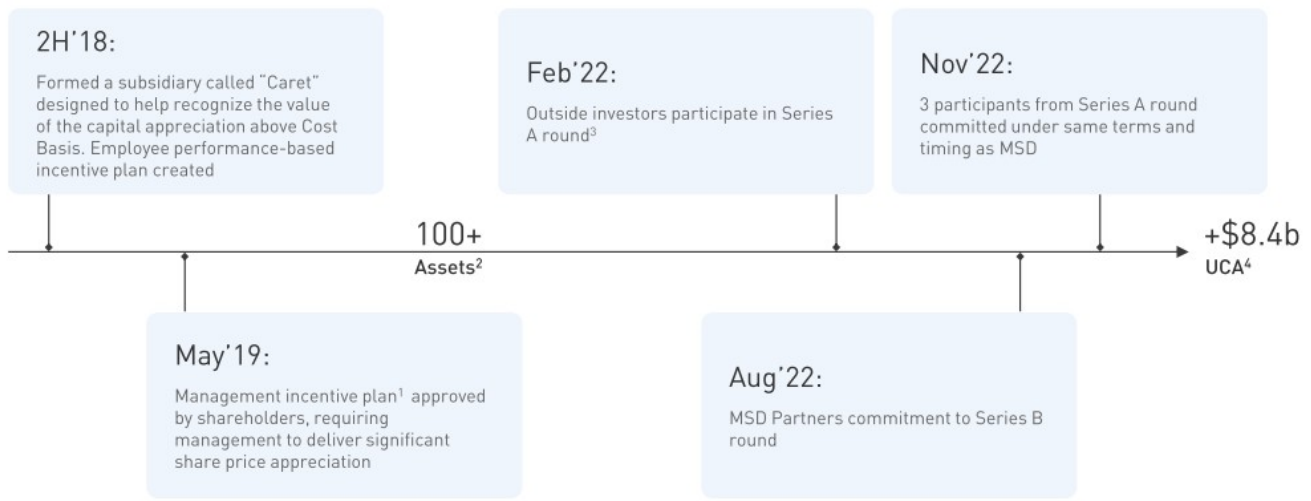
Earnings Reconciliation

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Net income (loss) attributable to Safehold Inc. common shareholders	(\$122,969)	\$66,077	(\$96,157)	\$113,628
Add: Impairment for goodwill	145,365	-	145,365	-
Add: Merger & Caret related costs ⁽¹⁾	60	5,995	22,082	6,441
Less: Gain on sale of Net Investment in Lease	-	(55,811)	-	(55,811)
Net income excluding merger & Caret related costs and non-recurring gains for the period	\$22,456	\$16,262	\$71,290	\$64,259
Impact attributable to noncontrolling interests	-	\$9,279	-	\$9,279
Net income attributable to Safehold Inc. common shareholders excluding merger & Caret related costs and non-recurring gains for the period	\$22,456	\$25,541	\$71,290	\$73,538
Weighted average number of common shares (basic & diluted)	67,979	63,393	65,214	61,991
EPS excluding merger & Caret related costs and non-recurring gains for the period (basic & diluted)	\$0.33	\$0.40	\$1.09	\$1.19

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

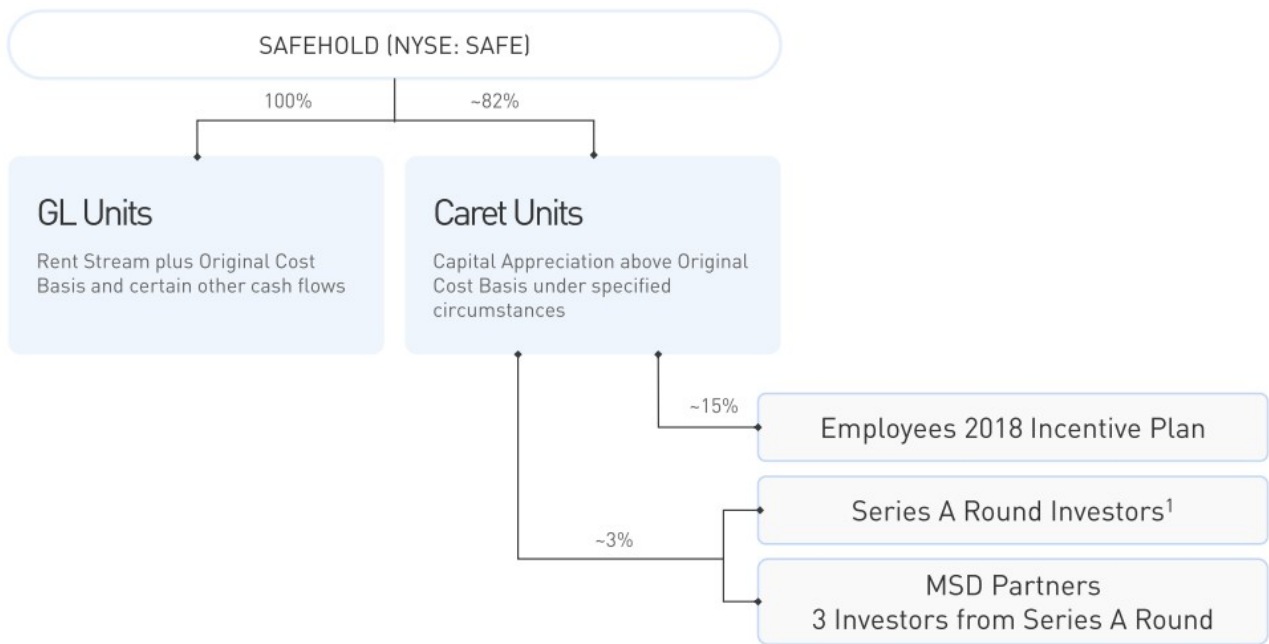
(1) Merger and Caret related costs were \$0.06m in Q3'23 and \$22.1m YTD'23. YTD'23 includes \$10.1m expenses and reserves primarily related to legal, tax, accounting and advisors, \$6.7m transfer tax and \$5.3m G&A primarily related to the termination of pre-existing iStar incentive plans and other miscellaneous items. Q3'22 and YTD'22 had \$5.8m and \$6.3m of such costs, respectively, primarily related to legal, tax and accounting. All numbers are net of impact attributable to noncontrolling interests.

Caret Timeline



(1) Management was granted up to 15% of the then-authorized Caret units under this plan.
 (2) Reached 100 transaction milestone in Q4 '21, enhancing diversification.
 (3) We are obligated to seek to provide a public market listing for the Series A Caret Units by Q1'24. If we are unable to achieve a public market liquidity event at a valuation not less than the purchase price for the Series A Caret Units, reduced by an amount equal to the amount of subsequent cash distributions on such units, then investors in the initial round will have the option to cause the redemption of their Series A Caret Units at their original purchase price as so reduced.
 (4) Increased UCA from \$1.6b to \$10.0b from Q3'18 to Q3'23.

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Note: Ownership percentage is based on outstanding Caret units.
 (1) Including commitment to purchase 28,571 units
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Unrealized Capital Appreciation Details

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

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

Certain interests in our subsidiary Safehold GL Holdings LLC ("Portfolio Holdings") are structured to track and capture UCA to the extent UCA is realized upon sale of our land and Ground Leases or certain other specified events. Under a shareholder-approved plan, management was granted up to 15% of the total authorized Caret units, 1,499,382 of which are currently outstanding and some of which remains subject to time-based vesting. See our Current Report on Form 8-K, filed with the SEC on April 4, 2023, for additional information on the long-term incentive plan.

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

Glossary

Aggregate Cost Basis	Represents Cost Basis plus unfunded commitments of the Core Ground Lease Portfolio. For unfunded commitments, it represents the aggregate future amount to be paid under the commitments.
Aggregate Gross Book Value	Represents the Gross Book Value plus unfunded commitments of the Core Ground Lease Portfolio. For unfunded commitments, it represents the aggregate future amount to be paid under the commitments.
Annualized Cash Yield	Calculated as the annualized base Cash Rent plus Percentage Rent divided by Cost Basis, each for the Core Ground Lease Portfolio.
Annualized Yield	Calculated as the annualized base Net Rent plus Percentage Rent divided by GBV, each for the Core Ground Lease Portfolio.
Caret Adjusted Yield	Using the same cash flows as Inflation Adjusted Yield except that initial cash outlay (i.e., Safehold's basis) is reduced by $-\$1.6b$, which amount corresponds to Safehold's share (~82%) of the most recent third-party Caret valuation of $\$2.0b$ from the Series B round (see page 10 for more detail on the Caret valuation).
Cash Interest Rate	The current cash interest rate of debt.
Cash Rent	Represents base ground lease income recognized excluding straight-line rent, amortization of lease intangibles, and non-cash income from sales-type leases, each for the Core Ground Lease Portfolio.
Combined Property Value (CPV)	The current combined value of the land, buildings and improvements relating to a commercial property, as if there was no ground lease on the land at the property. CPV is generally based on independent appraisals; however, the Company will use actual sales prices/management estimates for recently acquired and originated ground leases for which appraisals are not yet available. For construction projects, CPV represents the total cost associated with the acquisition, development, and construction of the project.
Core Ground Lease Portfolio	Represents the portfolio of assets owned at the date indicated and our proportionate share of two unconsolidated joint venture assets, as well as one ground lease asset in the GL Plus Fund that has moved out of the pre-development stage and, as a result, Safehold is obligated to purchase when all conditions are satisfied (such conditions may or not be satisfied), and excludes the Star Holdings Loan, Leasehold Loan Fund and the remainder of the GL Plus Fund.
Cost Basis	Represents the historical purchase price of an asset in the Core Ground Lease Portfolio, including capitalized acquisition costs of the assets.
Economic Yield	Computed similarly to effective yield on a bond, the Economic Yield is calculated using projected cash flows beginning 10/1/2023 for the duration of the lease, with an initial cash outflow and a residual value equal to our cost of the land. The cash flows incorporate contractual fixed escalators and the impact of an assumed inflation scenario on variable rate escalators such as (i) CPI adjustments and CPI lookbacks, (ii) percentage of revenues the building generates and/or (iii) periodic fair market valuations of the land. For CPI adjustments and CPI lookbacks, this metric uses the Federal reserve long-term 2.0% CPI target for the duration of the leases. For ground leases that have other forms of inflation capture including fair market value resets and percentage rent based on building revenue, this metric assumes fair market value and building revenue increase by the Federal Reserve long-term 2.0% CPI target annually. Target yields and cash flow multiples assume no default, full rent collections, no destruction and no casualty events.
Effective Interest Rate	Represents the all-in stated interest rate over the term of debt from funding through maturity based on the contractual payments owed excluding the effect of debt premium, discount and deferred financing costs.
GAAP Rent	Current period revenue from operating and sales-type leases recognized under GAAP, each for the Core Ground Lease Portfolio.
GL Plus Fund	The Company's investment fund that targets the origination and acquisition of Ground Leases for commercial real estate projects that are in a pre-development phase.
Gross Book Value (GBV)	Represents Cost Basis plus accrued interest on sales-type leases of the Core Ground Lease Portfolio. The amount is not reduced for CECL allowances.
Ground Lease-to-Value (GLTV)	Calculated as the Aggregate GBV divided by CPV of the Core Ground Lease Portfolio. Safehold uses this metric to assess risk and our seniority level in a real estate capital structure. Similar to the concept of the LTV metric used in the loan market.
Ground Lease Plus Commitment (GL+)	Safehold's commitment or option to purchase ground leases from a joint venture contingent on certain development and timing criteria.
Inflation Adjusted Yield	For CPI adjustments and CPI lookbacks, Inflation Adjusted Yield is computed in the same manner as Economic Yield, assuming a specific alternative inflation scenario for the duration of the leases. For ground leases that have other forms of inflation capture including fair market value resets and percentage rent based on building revenue, Inflation Adjusted Yield is based on Economic Yield and assumes fair market value and building revenue increase by the assumed inflation scenario annually.
Net Rent	GAAP Rent less depreciation & amortization for the Core Ground Lease Portfolio. This includes the amortization of a right of use asset recorded as real estate expense (totals $\$1.0m$ annualized). Includes our proportionate share of GAAP rent and amortization from our equity method investments, each for the Core Ground Lease Portfolio.
Owned Residual Portfolio	Represents the portfolio of properties under which Safehold owns a ground lease and reflects Safehold's right to the land, property and tenant improvements at the end of the lease. The current value of the Owned Residual Portfolio is typically represented by the Combined Property Value or CPV of our portfolio.
Percentage Rent	Represents TTM cash percentage rent paid by the property.
Property NOI	Represents the net operating income (NOI) of the building/Safehold's ground lease tenant prior to paying ground lease rent.
Rent Coverage	The ratio of Property NOI as provided by the building owner or estimated Property NOI to the annualized Cash Rent due to Safehold. The Company adjusts Property NOI for material non-recurring items and uses estimates of the stabilized Property NOI if it does not receive current tenant information and for properties under construction or transition, in each case based on leasing activity at the property and available market information, including leasing activity at comparable properties in the relevant market.
Safehold™/Safehold™ Ground Lease	A ground lease originated and structured by Safehold.
Unrealized Capital Appreciation (UCA)	Calculated as the difference between CPV of the Core Ground Lease Portfolio and the Aggregate Cost Basis. The Company tracks UCA because we believe it provides relevant information with regard to the three key investment characteristics of our ground leases: (1) the safety of our position in a tenant's capital structure; (2) the quality of the long-term cash flows generated by our portfolio rent that increases over time; and (3) increases and decreases in CPV of the portfolio that will ultimately revert to us.