



Safehold

Fixed Income Update

Q1'23

Forward-Looking Statements and Other Matters

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

The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: (1) any delay in or our inability to realize the expected benefits of the recently consummated merger of Safehold Inc. and iStar Inc. ("STAR") and/or our recently consummated spin-off of Star Holdings (collectively, the "transactions"); (2) changes in tax laws, regulations, rates, policies or interpretations; (3) the risk of unexpected significant transaction costs and/or unknown liabilities related to the transactions; (4) potential litigation relating to the transactions; (5) the impact of actions taken by significant stockholders; (6) the potential disruption to our business of diverted management attention, and the unanticipated loss of key members of senior management or other employees, in each case as a result of the transactions; (7) general economic and business conditions; (8) market demand for ground lease capital; (9) the Company's ability to source new ground lease investments; (10) the availability of funds to complete new ground lease investments; (11) risks that the rent adjustment clauses in the Company's leases will not adequately keep up with changes in market value and inflation; (12) risks associated with certain tenant and industry concentrations in our portfolio; (13) conflicts of interest and other risks associated with our relationship with Star Holdings and other significant investors; (14) 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); (15) risks that we will be unable to realize incremental value from the UCA in our Owned Residual Portfolio; (16) the value that will be attributed to Caret units in the future; (17) risks that tenant rights in certain of our ground leases will limit or eliminate the Owned Residual Portfolio realizations from such properties; (18) 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); (19) dependence on the creditworthiness of our tenants and their financial condition and operating performance; (20) the war in Ukraine and escalating geopolitical tensions as a result of Russia's invasion of Ukraine; and (21) 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 will have a delayed adverse impact on our financial results, along with the uncertainty created by the pandemic, our results for the period may not be indicative of future results. Similarly, our Rent Coverage and Unrealized Capital Appreciation as of March 31, 2023 may decline with respect to certain properties in future periods due to the continuing impact of the pandemic and the fact that certain metrics that we report and monitor may not reflect the full effects of the pandemic as of their dates of determination. Readers are urged to read our Quarterly Report on Form 10-Q for the quarter ended March 31, 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 3/31/23 unless otherwise noted.

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



Forward-Looking Statements and Other Matters

Inflation Adjusted Yield / CPI Adjustments: Safehold™ originated ground leases typically include a periodic rent increase based on prior years cumulative CPI growth with the initial lookback year generally starting between lease year 11 and 21. These CPI lookbacks are generally capped between 3.0% - 3.5% per annum compounded. In the event cumulative inflation growth for the lookback period exceeds the cap, the excess is not captured by the CPI lookback. Other forms of inflation capture include fair market value resets and percentage rent, typically for acquired ground leases. 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 2.26% 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>, April 25, 2023)

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

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01 Credit Update

Executive Summary

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

We have built national scale, relationships and brand equity over the last ~6 years, growing our ground lease portfolio from ~\$340 million to ~\$6 billion+

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

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

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

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

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

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

04 Attractive Relative Value and Entry Point

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

Recent Internalization

Safehold has internalized, creating the only self-managed, pure-play ground lease company in the public markets and is now better equipped for its next phase of growth

Better Structure

- Enhances governance, widely distributes voting power, expands number of independent directors on Board
- Internalizes and better aligns management team (~5% SAFE common stock ownership). 87-person employee base supporting all firm capabilities in-house

Better Cost & Economics

- Replaces scaling external management fee plus increasing reimbursable cost with lower standalone cost structure that improves operating leverage as the business scales

Better Investor Profile

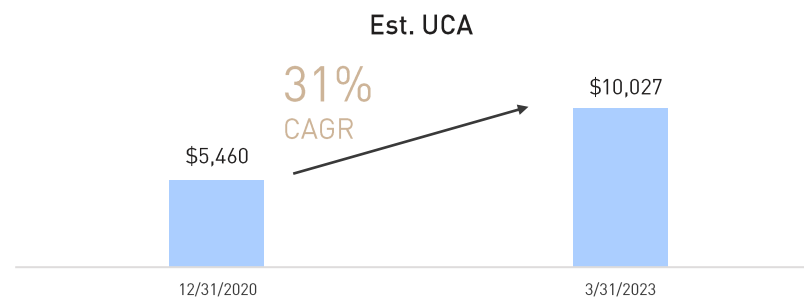
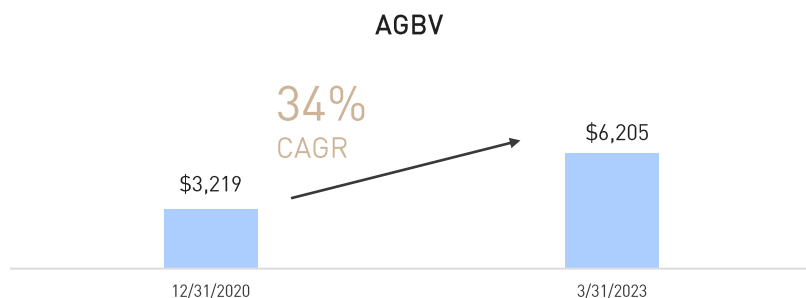
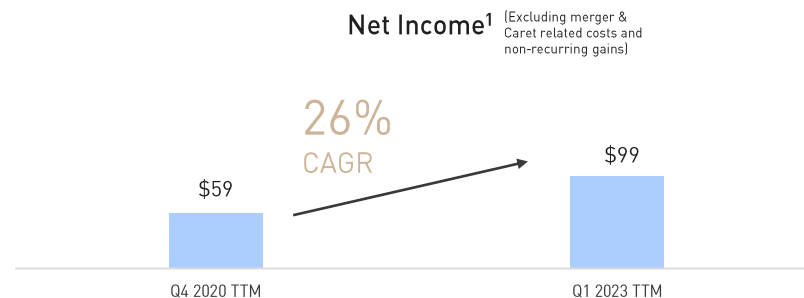
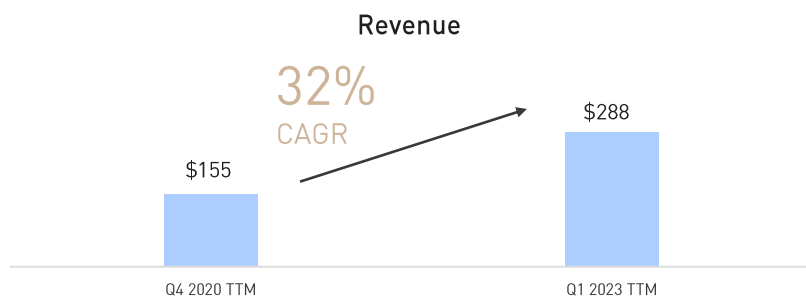
- Improves equity investor appeal by adding MSD Partners (\$200m of SAFE shares) as new strategic investor while also more than doubling float
- Improves debt investor appeal by creating credit ratings momentum and path to becoming an A-rated borrower

Financial Performance

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

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

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



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

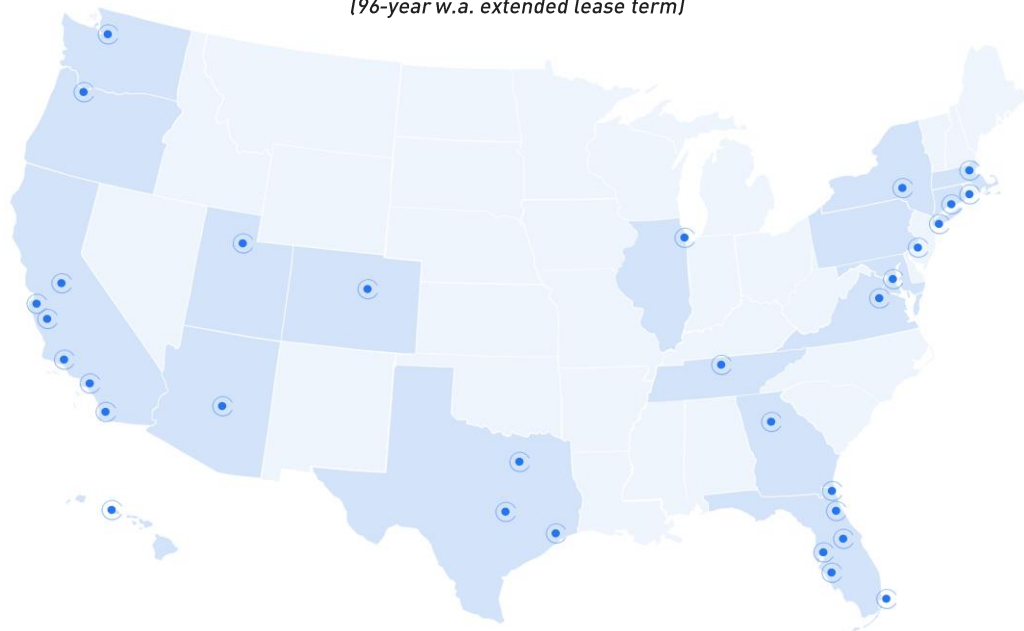
(1) Net Income excludes any merger and Caret related costs and any non-recurring gains. See Earnings Reconciliation in the Appendix for additional information.

Unencumbered Asset Diversification

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

\$3.4b UA Ground Lease Portfolio¹

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



Top 5 UA Gateway Markets (% of GBV)

1. New York (12%)² – 9 Assets
2. Boston (12%) – 3 Assets
3. Washington D.C. (12%) – 11 Assets
4. Los Angeles (8%) – 5 Assets
5. San Francisco (7%) – 4 Assets

Top 5 UA Growth Markets (% of GBV)

1. Denver (7%) – 6 Assets
2. Nashville (6%) – 4 Assets
3. Miami (6%) – 4 Assets
4. Orlando (2%) – 3 Assets
5. Seattle (2%) – 4 Assets

Portfolio

Ground Lease Count	Northeast	West	Mid-Atlantic	Southeast	Southwest	Central	Total	GBV %
Multifamily	6	16	6	18	6	3	55	53%
Office	4	7	6	1	3	0	21	27%
Hotel	2	2	1	1	1	0	7	8%
Mixed Use / Other	1	1	0	0	0	0	2	4%
Life Science	1	2	2	0	0	0	5	8%
Total	14	28	15	20	10	3	90	100%

(1) Represents GBV of unencumbered ground leases and does not include cash and other assets. Total unencumbered assets is \$3.6b.

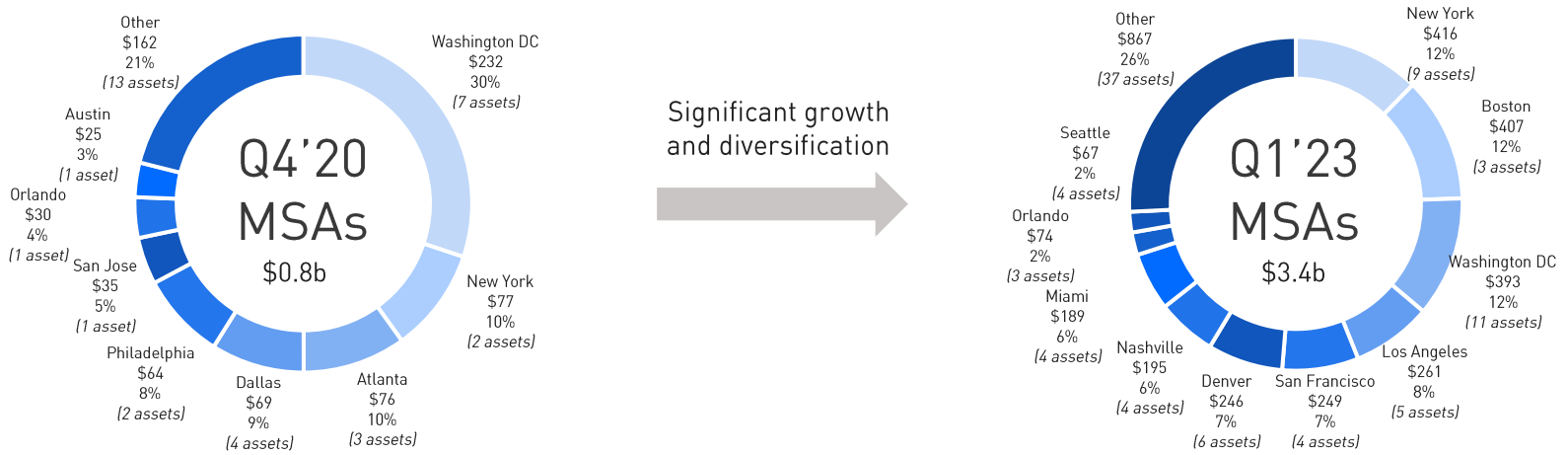
(2) Manhattan market makes up 4% of total New York MSA (3 assets).

Unencumbered Asset Evolution

	Q4'20		Q1'23
Total UA GBV ¹	\$0.8b	→ +\$2.6b	\$3.4b
Total UA Count	34	→ +56	90
Top 10 UA by GBV	56%	→ -22%	34%
Est. UA UCA	\$1.4b	→ +\$4.8b	\$6.2b
UA Unique Sponsors	27	→ +35	62
UA Unique LH Lenders	16	→ +20	36

- Since our initial rating / first unsecured offering...
- ✓ Emphasis on multifamily (~70% of investments)
 - ✓ Largest new market: Boston (now 12% of UA)
 - ✓ GLTV & rent coverage remained flat at ~40% and ~4x

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



Note: Q1'23 MSA's reflect gateway and growth markets listed on page 8.
 (1) Represents GBV of unencumbered ground leases and does not include cash and other assets. Total unencumbered assets is \$3.6b.
 Safehold | The Ground Lease Company | May 2023

Unencumbered Asset Overview

90	Ground Leases	\$3.4b	GBV ¹	\$6.2b	Est. UCA	3.9x	Rent Coverage ²	40%	GLTV ²
Multifamily	55	Multifamily	\$1.8b	Multifamily	\$3.7b	Multifamily	3.6x	Multifamily	36%
Office	21	Office	\$0.9b	Office	\$1.1b	Office	4.2x	Office	48%
Life Science	5	Life Science	\$0.3b	Life Science	\$0.7b	Life Science	4.9x	Life Science	40%
Hotel	7	Hotel	\$0.2b	Hotel	\$0.5b	Hotel	5.3x	Hotel	37%
Mixed Use	2	Mixed Use	\$0.1b	Mixed Use	\$0.2b	Mixed Use	3.1x	Mixed Use	45%

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

Asset Highlights:

- **20 CambridgeSide:** \$184m invested; Development of an 11-story, 360k square foot trophy lab building located in East Cambridge
- **Skylark:** \$126m invested; Multifamily asset in a high performing San Francisco submarket with exceptional demographics
- **1551 Wewatta:** \$115m invested; Class-A trophy 10-story office in Denver’s strongest office submarket, leased to an A-rated tenant
- **1111 Church:** \$84m invested; Trophy multifamily high-rise comprised of 380 residential units and 501 parking spaces in Nashville
- **Soleste:** \$63m invested; New vintage, highly amenitized Class-A multifamily tower in Downtown Miami near transit



20 CambridgeSide
Boston, MA



Skylark
San Francisco, CA



1551 Wewatta
Denver, CO



1111 Church
Nashville, TN



Soleste
Miami, FL

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

(1) Represents GBV of unencumbered ground leases and does not include cash and other assets. Total unencumbered assets is \$3.6b.

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

Capital Structure

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

\$4.2b
Total Debt¹

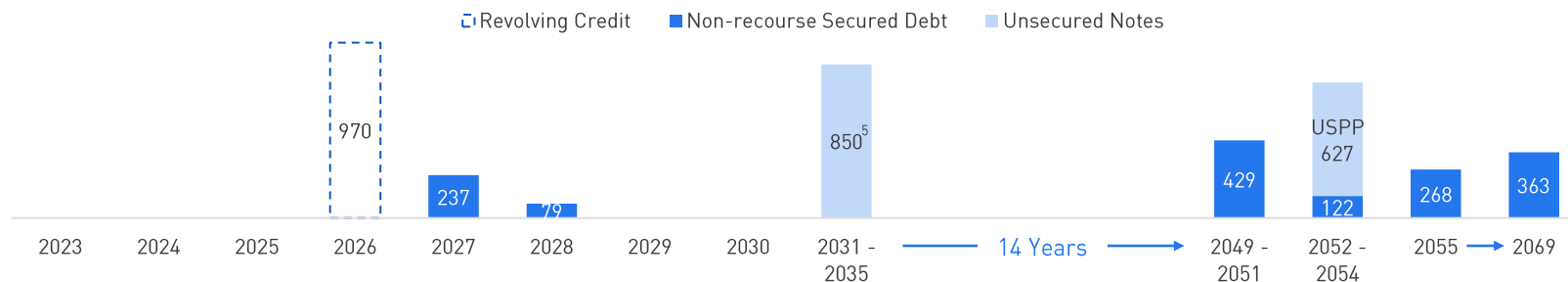
23 Years
W.A. Maturity^{1,2}

3.3% / 3.8%
Current Cash /
Effective Cost of Debt^{1,2}

1.9x
Corporate
Leverage¹

58%
Unsecured Debt as
% of Total Debt¹

Debt Maturity Schedule³



% of Total	2023	2024	2025	2026	2027	2028	2029	2030	2031 - 2035	2049 - 2051	2052 - 2054	2055	2069	
				25%	6%	2%			21%		11%	19%	7%	9%
Current Cash Interest Rate ⁴				SOFR + 1.0%	3.8%	4.3%			3.3%		3.2%	3.5%	2.9%	3.1%
Effective Interest Rate ⁴				SOFR + 1.0%	3.8%	4.3%			3.3%		4.0%	4.2%	3.7%	4.2%

Note: \$ in millions; As of 3/31/2023

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

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

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

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

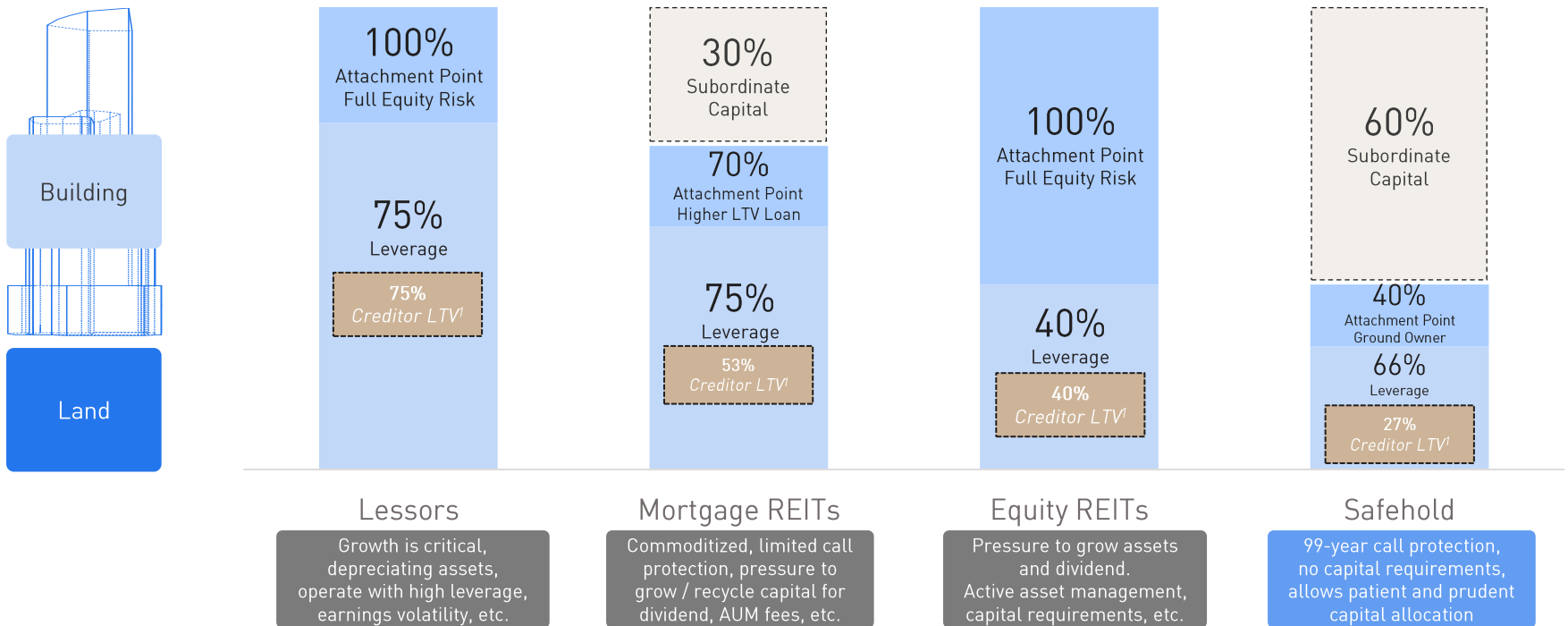
(5) Includes \$400m maturity in 2031, \$350m maturity in 2032, and \$100m maturity in 2035.

Underlying Risk Comparison

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

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


Attachment Point and Leverage Comparison



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

Relative Value Comparison

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

		NNN ²	Multifamily ³	Data Center ⁴	Cell Tower ⁵
Investment Attachment Point	40%	100%	100%	100%	100%
Lease Term (Years)	99	5 to 20	1 to 2	3 to 20	3 to 20
OpEx & CapEx	Very Low	Low to Medium	High	Medium	Medium
Protection Layers	3	1	1	1	1
Layer 1	Tenants	Tenants	Tenants	Tenants	Tenants
Layer 2	Leasehold Owner	-	-	-	-
Layer 3	Leasehold Lender	-	-	-	-
10-Year Credit Spread ¹ (1/18/22, 5/5/22, Today)	<i>Quoted</i> +165 → +215 → +255	+95 → +140 → +170	+75 → +115 → +125	+110 → +175 → +170	+120 → +190 → +165
Takeaway	<i>SAFE's 10-year listed spreads are higher and have widened further than other sectors</i>				
30-Year Credit Spread ¹ (1/18/22, 5/5/22, Today)	<i>Executed</i> +180 → +195 → +TBD	+125 → +175 → +200	+100 → +145 → +170	+135 → +190 → +175	+150 → +200 → +180
Takeaway	<i>SAFE's 30-year private executions have priced better than implied public levels and still wider than other sectors</i>				

Note: 1/18/22 and 5/5/22 reflect pricing date of SAFE private 30-year note issuances (\$625m total). "Today" represents spreads sourced from FactSet as of 5/1/2023.

(1) Reflects average G-spread of ~10-year and ~30-year unsecured note issuances, using on-the-run spreads (2030-2033 and 2047-2051 bonds for each issuer) as of 5/1/2023. For Safehold, "Today" reflects spread on 2032 notes as of 5/1/2023; Source: FactSet, Company filings

(2) Credit spreads include 0, NNN

(3) Credit spreads include AVB, EQR, MAA

(4) Credit spreads include EQIX

(5) Credit spreads include AMT, CCI

Credit Ratings Momentum

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

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

Year-to-date, Safehold has further expanded its capital access through an incremental \$500m unsecured revolving credit facility and the formation of a \$500m joint venture with a leading sovereign wealth fund¹

MOODY’S

Baa1 (Positive Outlook)

Positive Outlook in August 2022

**No Near-Term
Corporate Debt Maturities**

Until 2026²

23-Year

W.A. Debt Maturity³

FitchRatings

BBB+ (Positive Outlook)

Positive Outlook in February 2023

\$900m Liquidity

Diversified Funding Sources⁴

\$3.6b UA Pool

Commitment to growing unencumbered asset base⁵

Note: all figures as of 3/31/23 unless otherwise noted. Please see “Unrealized Capital Appreciation Details” in the Appendix for more information.

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

(2) 2026 maturity reflects outstanding Unsecured Revolver balance.

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

(4) Includes Cash and Revolver availability.

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

02 Safehold Update

Company Snapshot as of Q1'23

Portfolio

\$6.2b	Aggregate GBV	93 Years	W.A. Extended Lease Term
131	Ground Leases		
\$10.0b	Est. Unrealized Capital Appreciation ("UCA")	3.4%	Annualized Cash Yield
42%	Ground Lease to Value ("GLTV") ¹	5.2%	Annualized Yield (0% Inflation)
3.9x	Rent Coverage ¹		
Top 30 MSAs	Diversified & Location Centric	5.7%	Inflation Adjusted Yield ² (2.26% Inflation) ³

Balance Sheet

Baa1 (Positive)	Moody's	\$3.6b	Unencumbered Assets
BBB+ (Positive)	Fitch	1.5x	Unencumbered Assets to Unsecured Debt
\$900m	Liquidity ⁴	No Maturities	Until 2026
23 Years	W.A. Debt Maturity ⁵	3.3%	Debt Cash Interest Rate ⁵
1.9x	Corporate Leverage ⁶ (Debt / Book Equity)	3.8%	Debt Effective Interest Rate ⁵

Note: all figures as of 3/31/23 unless otherwise noted. Please see "Unrealized Capital Appreciation Details" in the Appendix for more information. Refer to Glossary in the Appendix for yield calculations and additional details.

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(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>, April 25, 2023.

(4) Includes Cash and Credit Facility Availability.

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

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

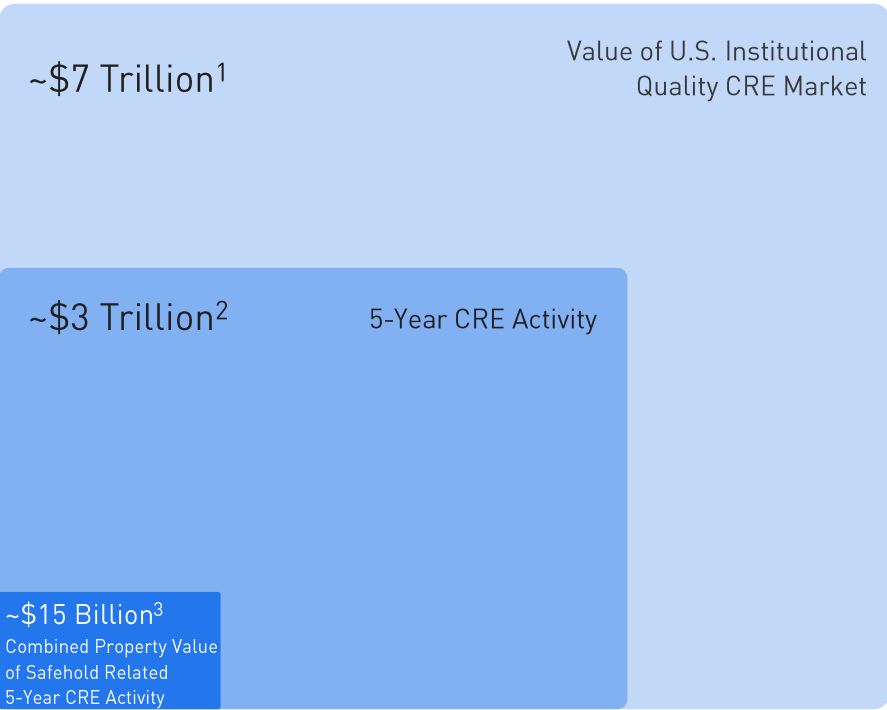
Addressable Market

Any liquidity event at the property level (buy/sell, recapitalization, development) in a major market presents an opportunity for Safehold to create a ground lease (~90% of activity) in addition to competing to purchase existing ground leases when they are marketed for sale (~10% of activity)

Over the last 5 years, Safehold has averaged ~\$1+ billion of ground lease investment activity per year

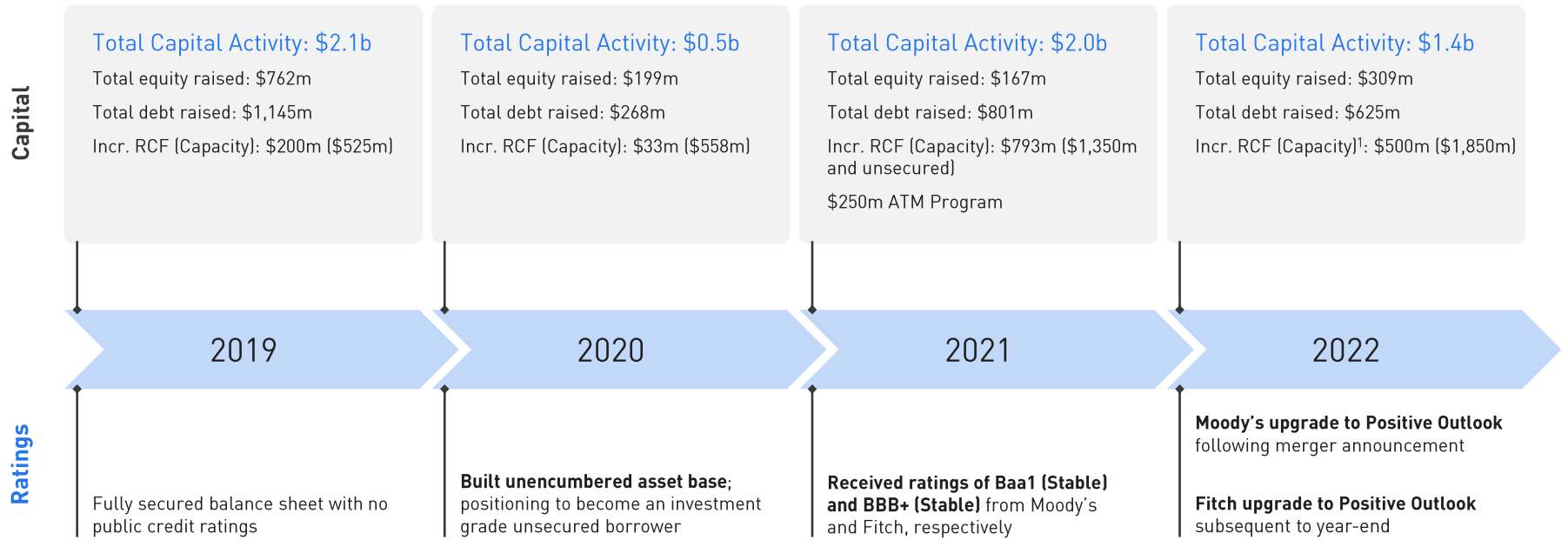
At ~40% GLTV, that implies annual ground lease and related CRE activity is roughly 0.5% of annualized CRE activity

As familiarity and market acceptance of the modern ground lease concept gains momentum, penetration is expected to grow



(1) Total estimated size of institutional quality commercial real estate in top 30 markets. Source: RCA Analytics and management estimates.
 (2) Includes acquisitions (>\$60M), recapitalizations, and developments of all US multifamily, office, lodging, and industrial assets since 2018. Source: RCA Analytics, CoStar, Green Street.
 (3) Based on \$1b of originations per year over 5 years at 40% GLTV.

Capital Highlights



Balance Sheet Philosophy:

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

Note: Debt capital raised includes Safehold's proportionate share of JV debt raised.
 (1) Includes \$500m Revolver closed in Q1'23.

Recently Formed Joint Venture

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

Target Commitment¹	\$500m SAFE: \$275 Million – 55% stake Partner: \$225 Million – 45% stake
Economics	Management Fee: 25 bps on invested equity for 1st 5 years; 15 bps thereafter Promote: 15% over 9% IRR subject to a 1.275x MOIC; no catch up
Investment Period	Earlier of 18 months and full deployment of commitments

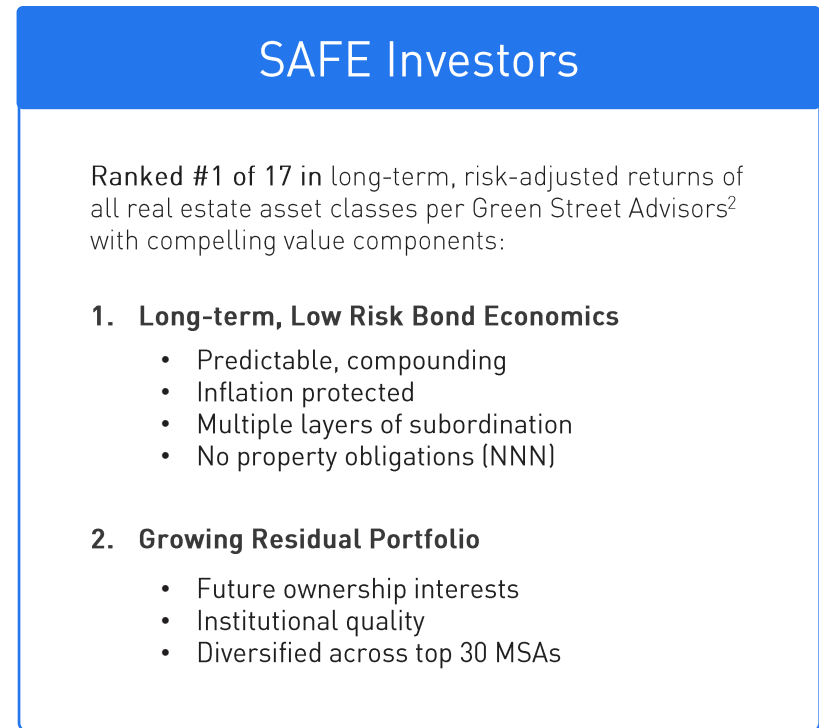
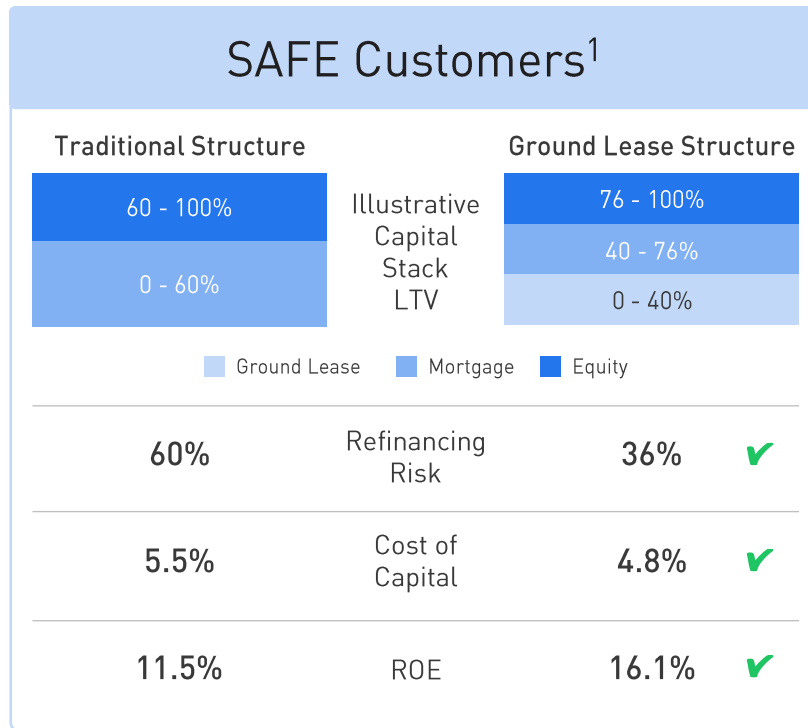
Similar to how wholly owned ground leases are funded, Safehold intends to fund its capital commitment to the venture with a combination of long-term unsecured debt and equity

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

Value Proposition

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

Investors: Ground leases offer durable, compounding cash flows, inflation protection and tax-efficient wealth creation secured by well-located, institutionally-owned commercial real estate



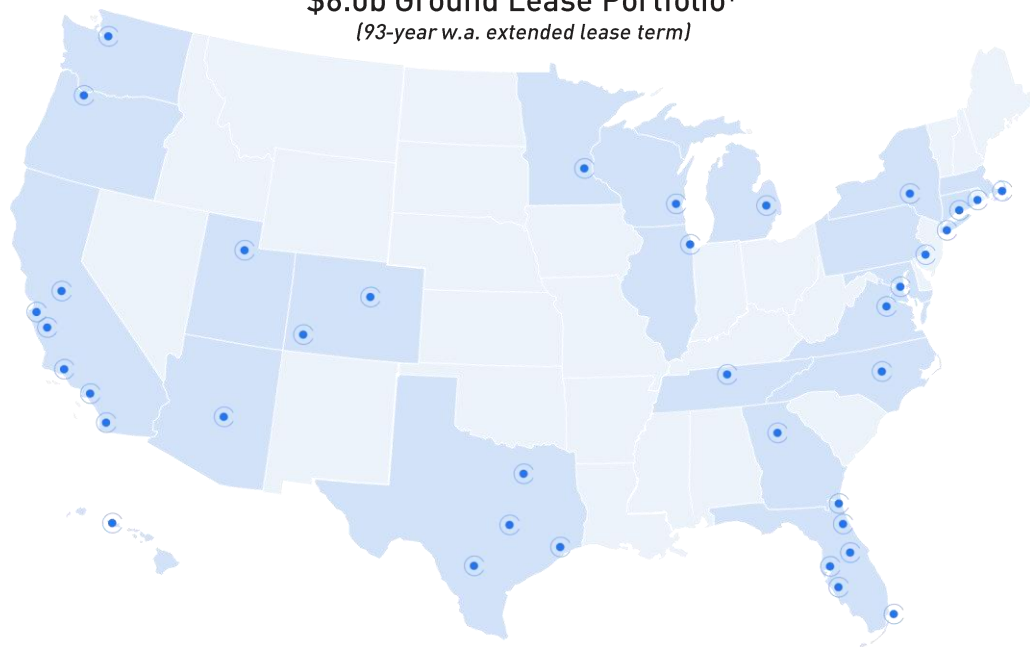
(1) Illustrative example, see page 40 for additional detail. Assumes 5.5% beginning cap rate at the underlying property and 5.5% cap rate at time of sale in year 10. Traditional structure assumes 5.5% cost of debt. Ground lease structure assumes 4.25% starting cash yield increasing 2.0% per year, and 5.5% leasehold loan cost.

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

Portfolio Diversification

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

\$6.0b Ground Lease Portfolio¹ (93-year w.a. extended lease term)



Top 10 Markets (% of GBV)

1. Manhattan (24%)² – 10 Assets
2. Washington D.C. (11%) – 17 Assets
3. Boston (7%) – 3 Assets
4. Los Angeles (7%) – 7 Assets
5. San Francisco (5%) – 5 Assets
6. Denver (4%) – 6 Assets
7. Nashville (4%) – 5 Assets
8. Honolulu (4%) – 2 Assets
9. Miami (3%) – 6 Assets
10. Atlanta (3%) – 7 Assets

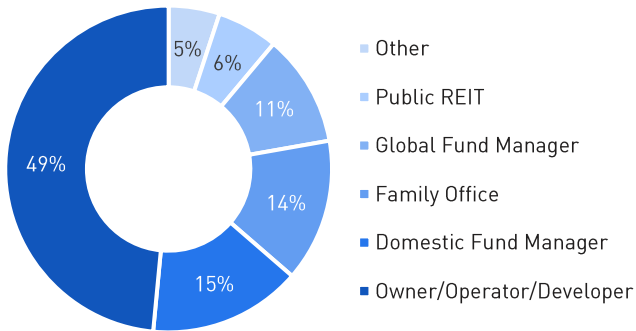
Ground Lease Count	Portfolio						Total	GBV %
	Northeast	West	Mid-Atlantic	Southeast	Southwest	Central		
Multifamily	8	19	10	22	6	4	69	37%
Office	10	7	9	5	4	1	36	44%
Hotel	2	8	1	1	4	0	16	12%
Mixed Use / Other	1	1	0	2	0	1	5	3%
Life Science	1	2	2	0	0	0	5	5%
Total	22	37	22	30	14	6	131	100%

(1) Represents GBV and does not include forward commitments.

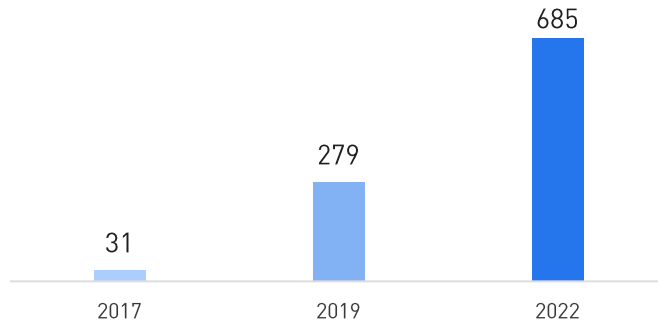
(2) Total New York MSA including areas outside of Manhattan makes up 29% of GBV (17 assets).

Growing Customer Adoption

Diversifying Customer Base¹



Increasing Customer Awareness



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

High Customer “Stickiness” & Improving Efficiency

40%

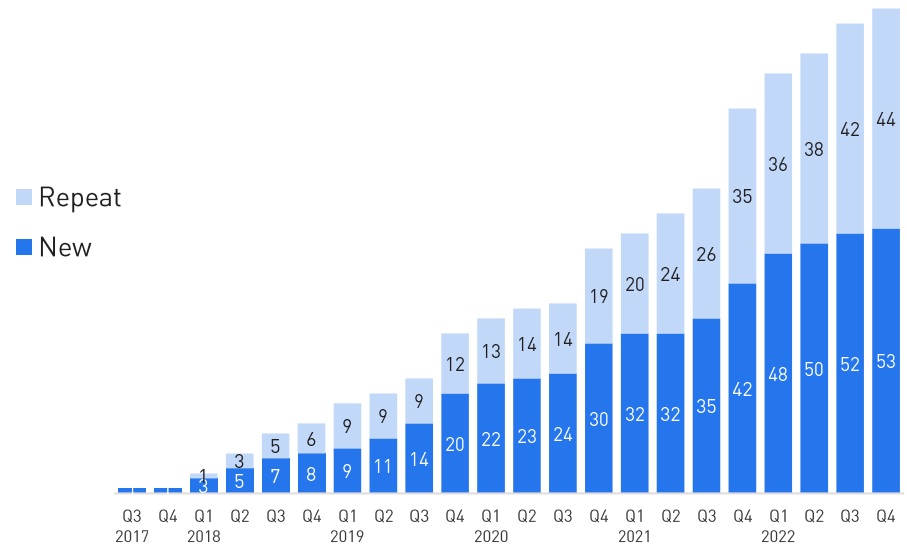
Of customers have closed multiple deals with Safehold

64%

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

New vs. Repeat Customers

Cumulative Transaction²



Source: Internal CRM tracking metrics.

(1) Based on number of unique sponsors.

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

Institutional Customers

Safehold's 131 ground leases include 87 unique tenants

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



Leasehold Liquidity - Institutional Lenders

Safehold's 131 ground leases include 54 unique leasehold lenders

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



Case Study of Highest and Best Use

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

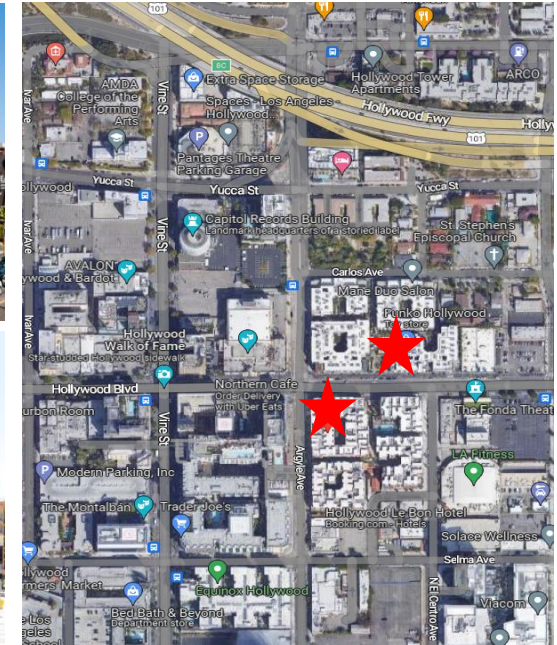
6200 & 6201 Hollywood Boulevard are two newly-built multifamily properties totaling 1k+ units with parking and billboard space on the corner of Hollywood Boulevard & Argyle Avenue.

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

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

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

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



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

Case Study of Payments During Covid

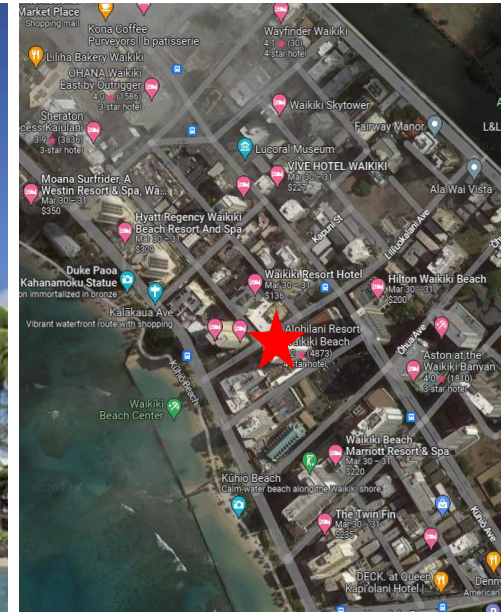
100% collections through Covid

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

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

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

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

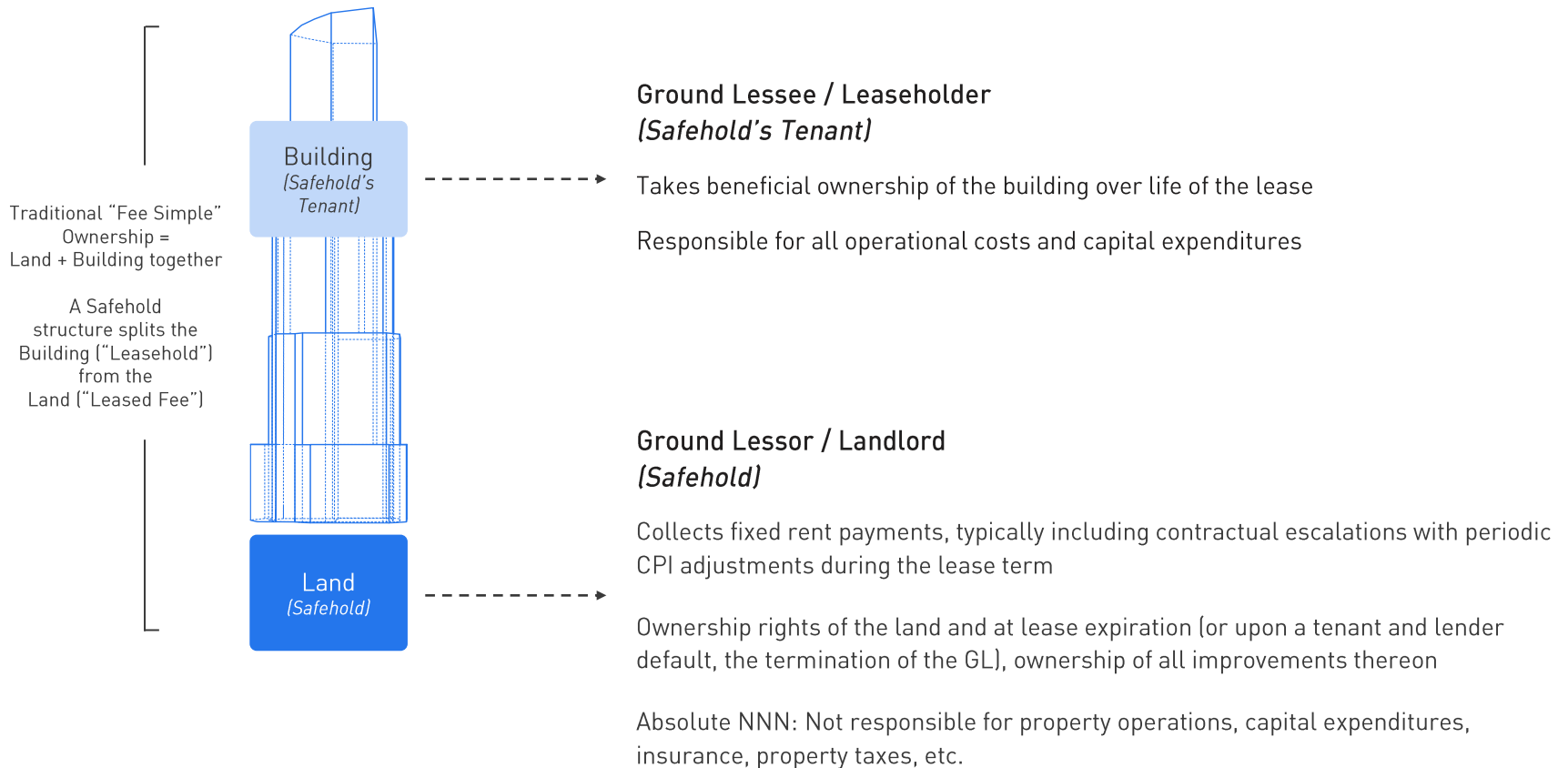


Ground Lease Purchase Price (\$m)	\$195
Current CBRE Property Value (\$m)	\$525
GLTV	40%
Inflation Adjusted Yield	6.2%
Term Remaining	96 years

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

What is a Ground Lease

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



Typical Safehold Ground Lease Terms

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

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

The Modern Ground Lease

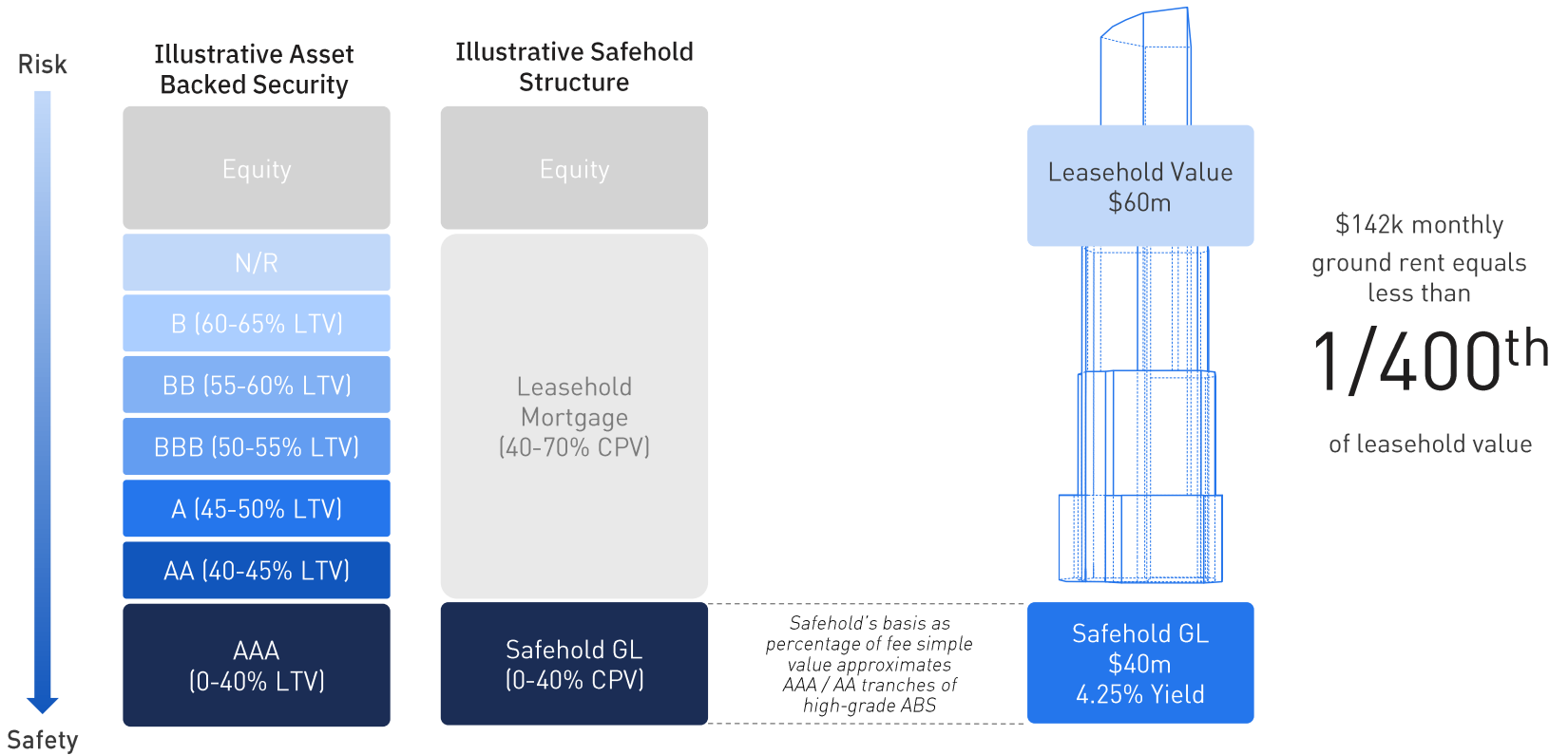
Safehold's form structure standardizes how ground leases should function in the capital markets by **removing value destroying features** found in archaic ground leases and creating a bond-like instrument with **growing, predictable cash flows** which benefits all parties

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

Illustrative Principal and Income Safety

Principal Safety

Income Safety



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

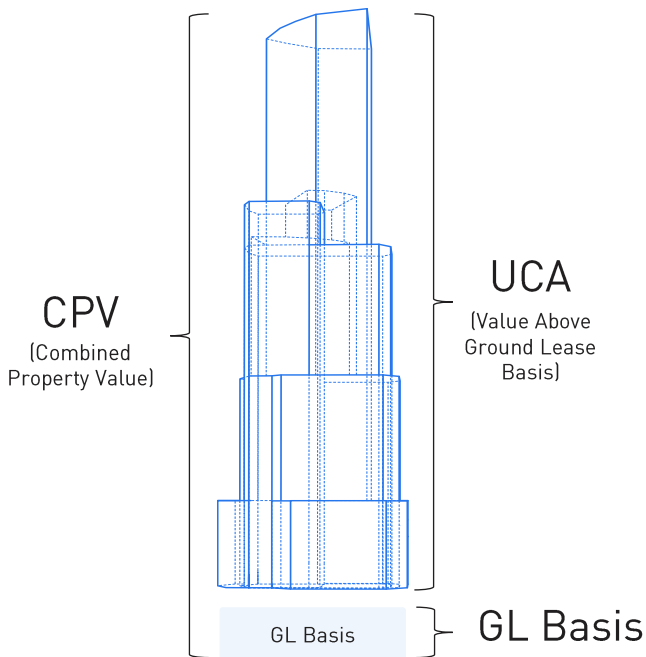
Motivated tenant to grow and protect value with an **additional layer of protection via a leasehold lender** that can step in and cure ground rent if necessary

UCA Growth Increases Security

What is UCA?

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

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



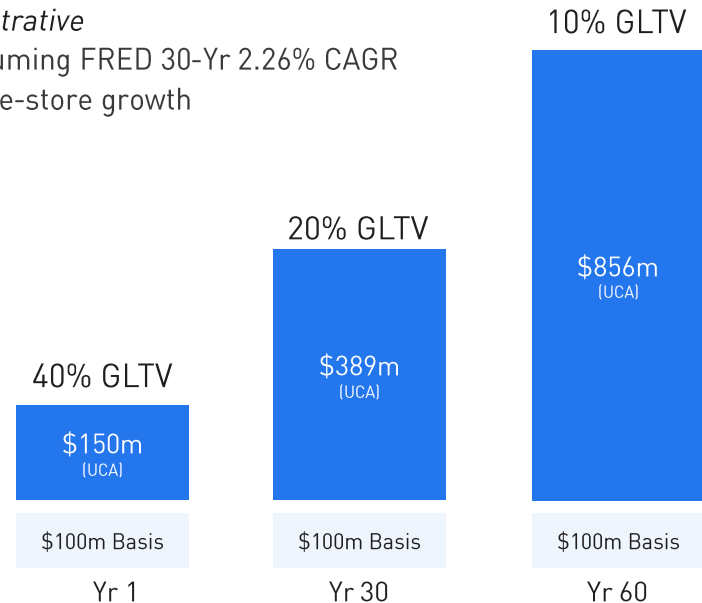
What does UCA growth mean for Safehold?

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

Growing CPV provides growing credit protection for Safehold and its creditors

Since 2004¹, the Green Street Commercial Property Index (CPPI) has grown at a 3.8% CAGR

Illustrative
Assuming FRED 30-Yr 2.26% CAGR
same-store growth



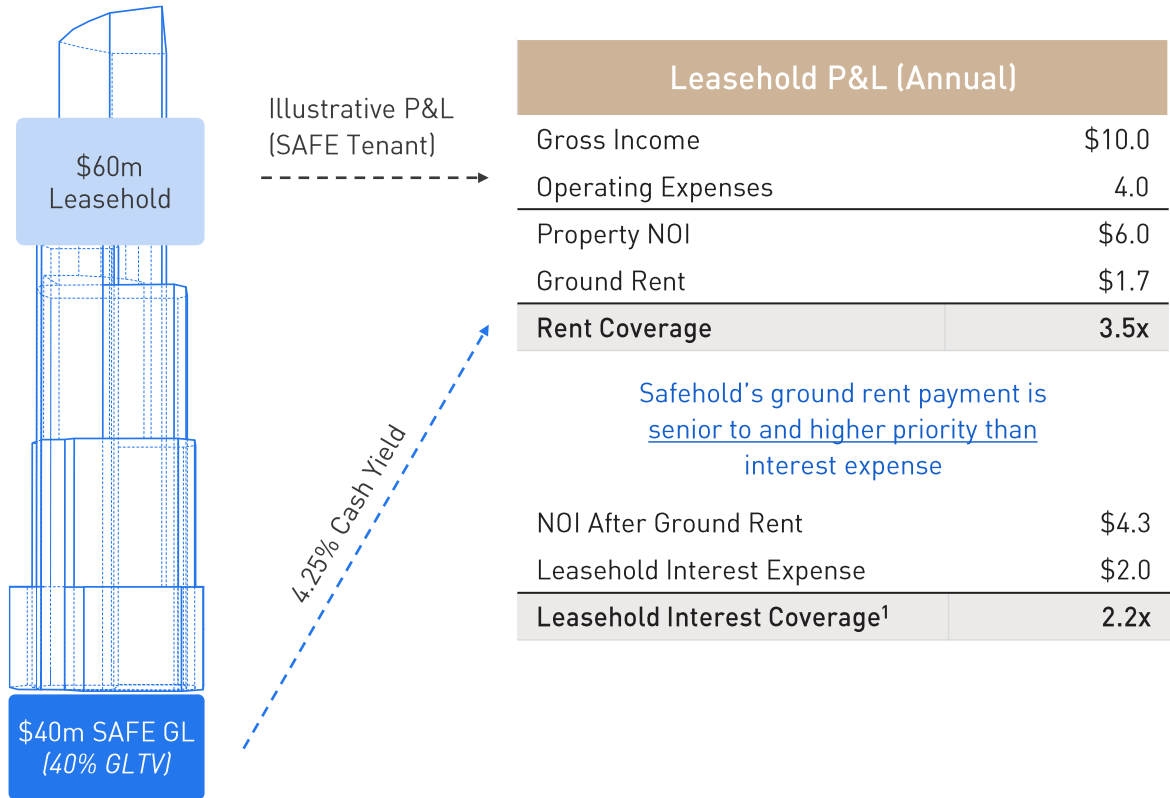
Note: Reflects illustrative UCA growth for a hypothetical \$100m ground lease with 40% going-in GLTV, assuming 2.26% inflation / building value increase per year. Illustrative analysis assumes current Federal Reserve Bank of St. Louis, 30-year Breakeven Inflation Rate, retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/T30YIEM>, April 25, 2023.

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

(1) Green Street Advisors data by property type and MSA begins Q1 2005.

Ground Rent Payment Seniority

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



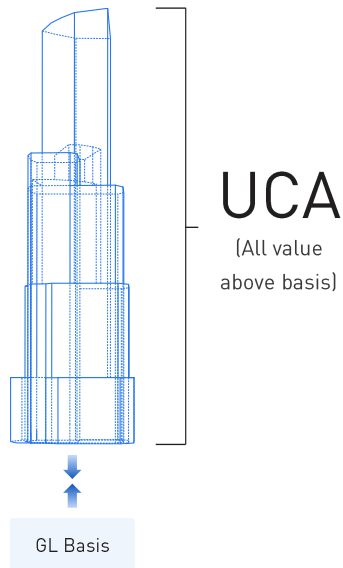
Note: \$ in millions.

(1) Assumes ~\$36m leasehold first mortgage (60% LTV on \$60m leasehold value) at 5.5% interest rate.

Unrealized Capital Appreciation (UCA)

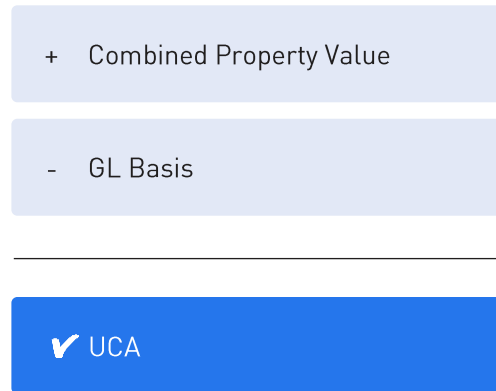
Ownership

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



Capital Appreciation Tracker

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



Growth Dynamic

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

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



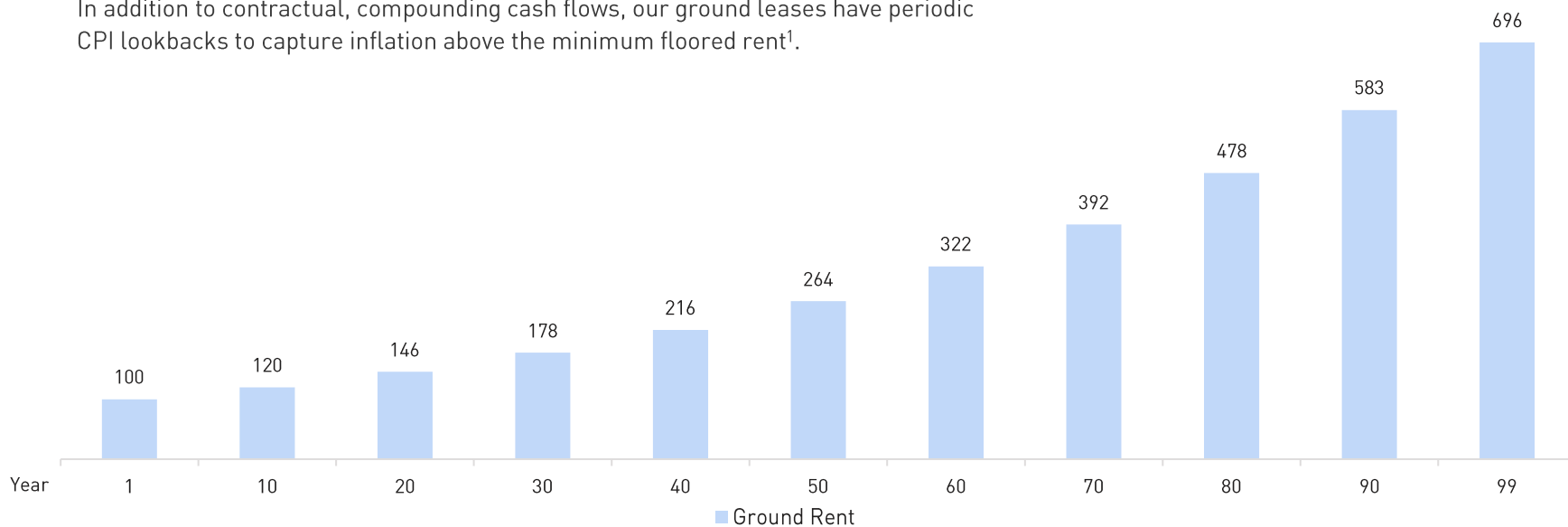
Please refer to the “Unrealized Capital Appreciation Details” slide in the Appendix for additional information.

Ground Lease Income

Contractual rent increases create **organic, long-term, call protected, compounding cash flows**

Reflects an illustrative example of how a \$100 initial ground rent stream grows when increased by 2.0% annually over the life of a hypothetical 99-year ground lease.

In addition to contractual, compounding cash flows, our ground leases have periodic CPI lookbacks to capture inflation above the minimum floored rent¹.



(1) Safehold™ originated ground leases typically include a periodic rent increase based on prior years' cumulative CPI growth with the initial lookback year generally starting between lease year 11 and 21. These CPI lookbacks are generally capped between 3.0% - 3.5% per annum compounded. In the event cumulative inflation growth for the lookback period exceeds the cap, the excess is not captured by the CPI lookback. Other forms of inflation capture include fair market value resets and percentage rent, typically for acquired ground leases. 84% of our portfolio as determined by cash rent has some form of a CPI lookback and 95% of our portfolio as determined by cash rent has some form of inflation capture.

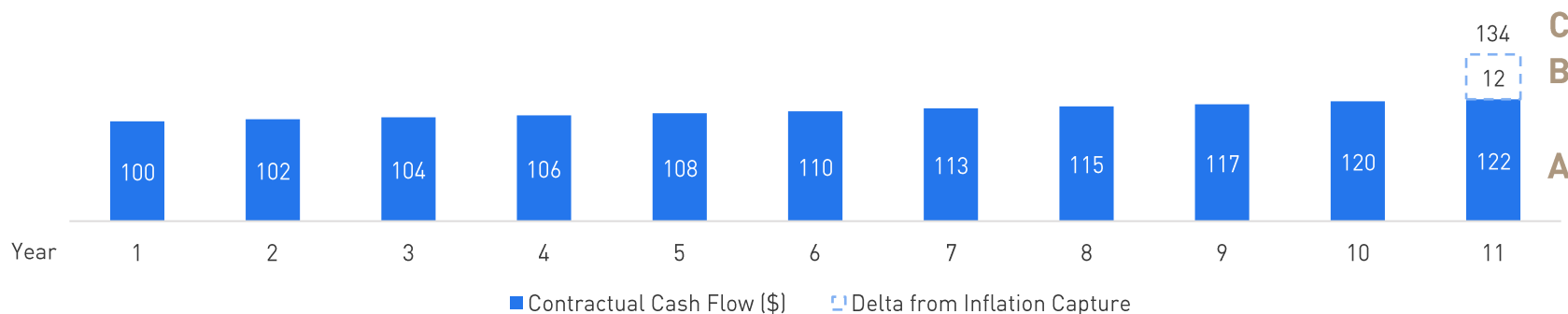
CPI Lookback Mechanics

CPI Lookbacks¹ provide meaningful inflation capture that is better than comparable risk, long-term fixed-rate bonds we benchmark against, and continue periodically throughout the life of a lease

Target Safehold Ground Lease

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

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



~83% of Safehold’s portfolio has CPI lookbacks and ~95% of the portfolio has some form of inflation protection²

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

(2) As determined by cash rent.

Long-Term, Low Risk Return Comparison

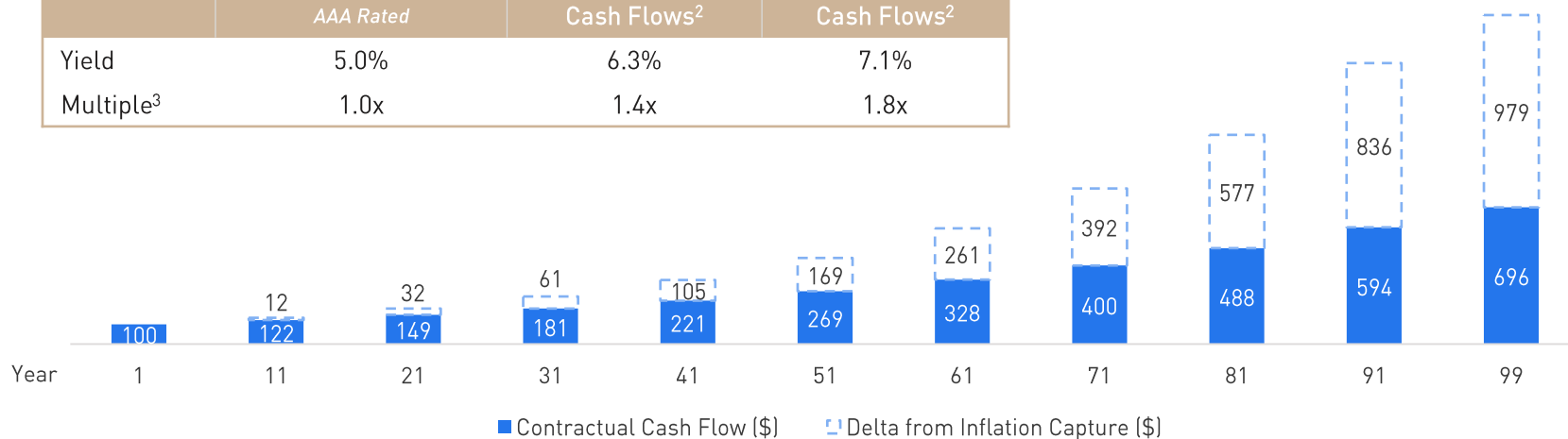
Target Safehold Ground Lease

4.25% Initial Yield | 2.0% Rent Bumps per Annum | 10-Year CPI Lookbacks

While the minimum contractual ground lease cash flows create higher returns vs. similar long-term, low risk fixed income securities, CPI lookbacks in our portfolio provide significant inflation capture, typically up to 3.0 - 3.5% on a compounded basis

Additionally, our long-term fixed rate debt provides enhanced interest rate and inflation protection during its term

	MIT 2116 Notes ¹ AAA Rated	Contractual GL Cash Flows ²	3.0% Infl. Adj. GL Cash Flows ²
Yield	5.0%	6.3%	7.1%
Multiple ³	1.0x	1.4x	1.8x



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

(1) Illustrative example represents Massachusetts Institute of Technology unsecured notes due 2116 yield as of 4/25/23.

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

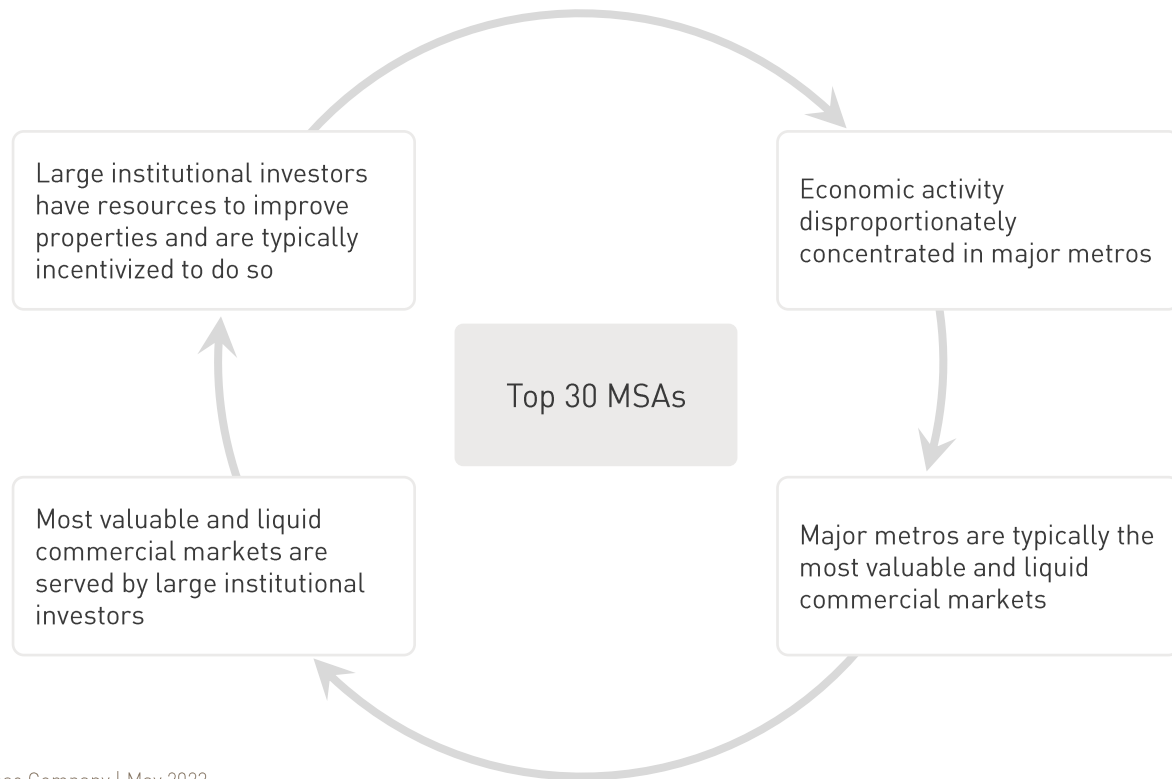
(3) The net present value of the cash flows [discounted using the Massachusetts Institute of Technology 2116 unsecured AAA-rated bonds trading at a yield to maturity of 5.0% as of 4/25/23] of an illustrative portfolio of modern ground leases meeting our yield to maturity target divided by the initial investment in the portfolio of ground leases.

Target Investment Criteria

We believe appropriately sized and structured ground leases, located in top markets with significant asset-level subordination and institutional sponsorship, is an attractive risk-adjusted opportunity

- Top 30 MSAs with attractive fundamentals
- Low GLTV (~35 to 45% of CPV)

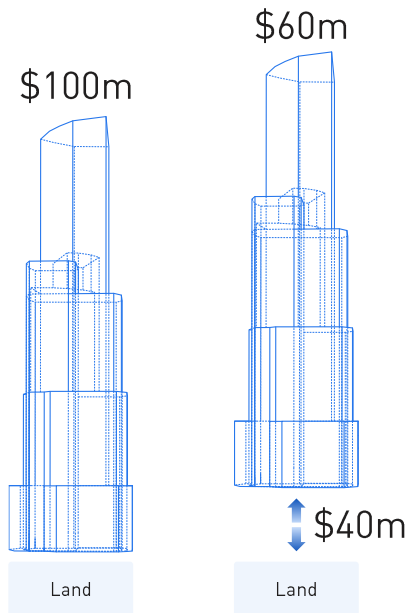
- Property NOI covers ground rent ~2.0 – 4.5x
- Institutional sponsors and leasehold lenders



A Better Capital Solution

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

Improved Capital Efficiency



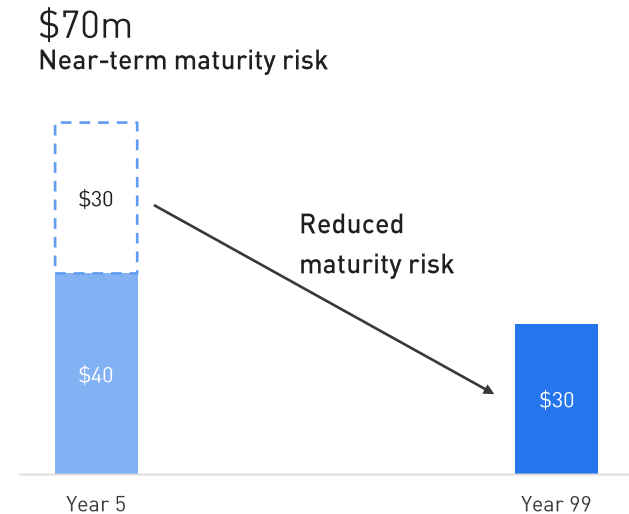
Buildings and land are different investments, most efficiently capitalized by different investors

Improved Cost Efficiency

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

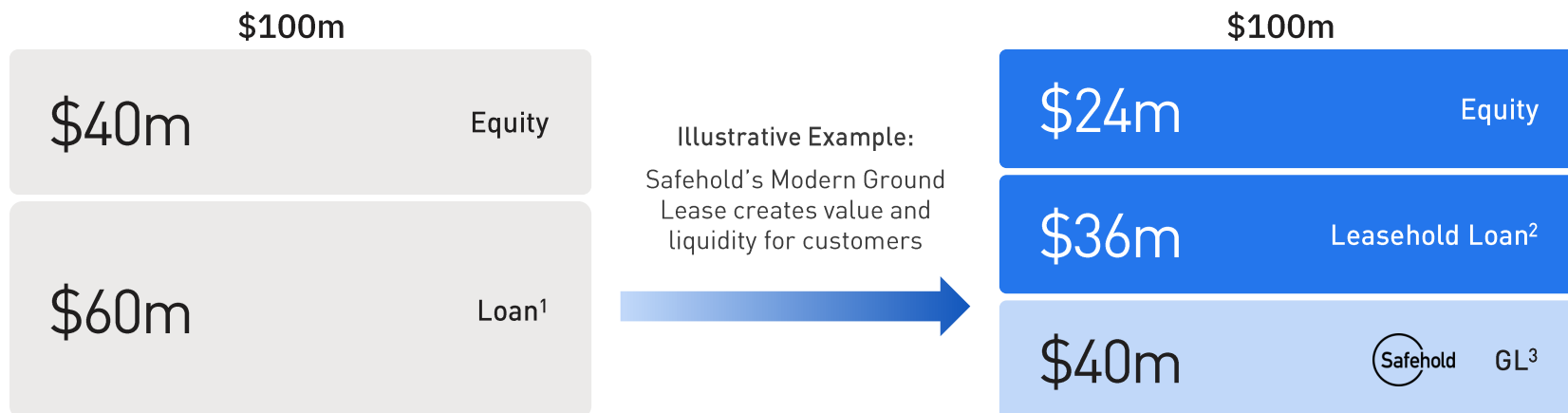
Reduces friction costs associated with selling real estate by giving 40% of capital a long-term structure of up to 99 years

Significant Risk Reduction



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

Efficient Capital Creates Better Returns for New Transactions



\$100m	Fee Simple Purchase Price	\$100m (-0%)
\$40m	Equity Required	\$24m (-40%)
5.5%	Unlevered Yield	6.3% (+15%)
5.5%	Cash-on-Cash Returns	7.6% (+38%)
11.5%	IRR (10 Year Hold)	16.1% (+39%)
2.5x	Equity Multiple (10 Year Hold)	3.4x (+36%)
Higher	Refinancing Risk	Lower

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

(1) Assumes 5.5% fixed interest rate, 10-year term, 60% LTV of property value.

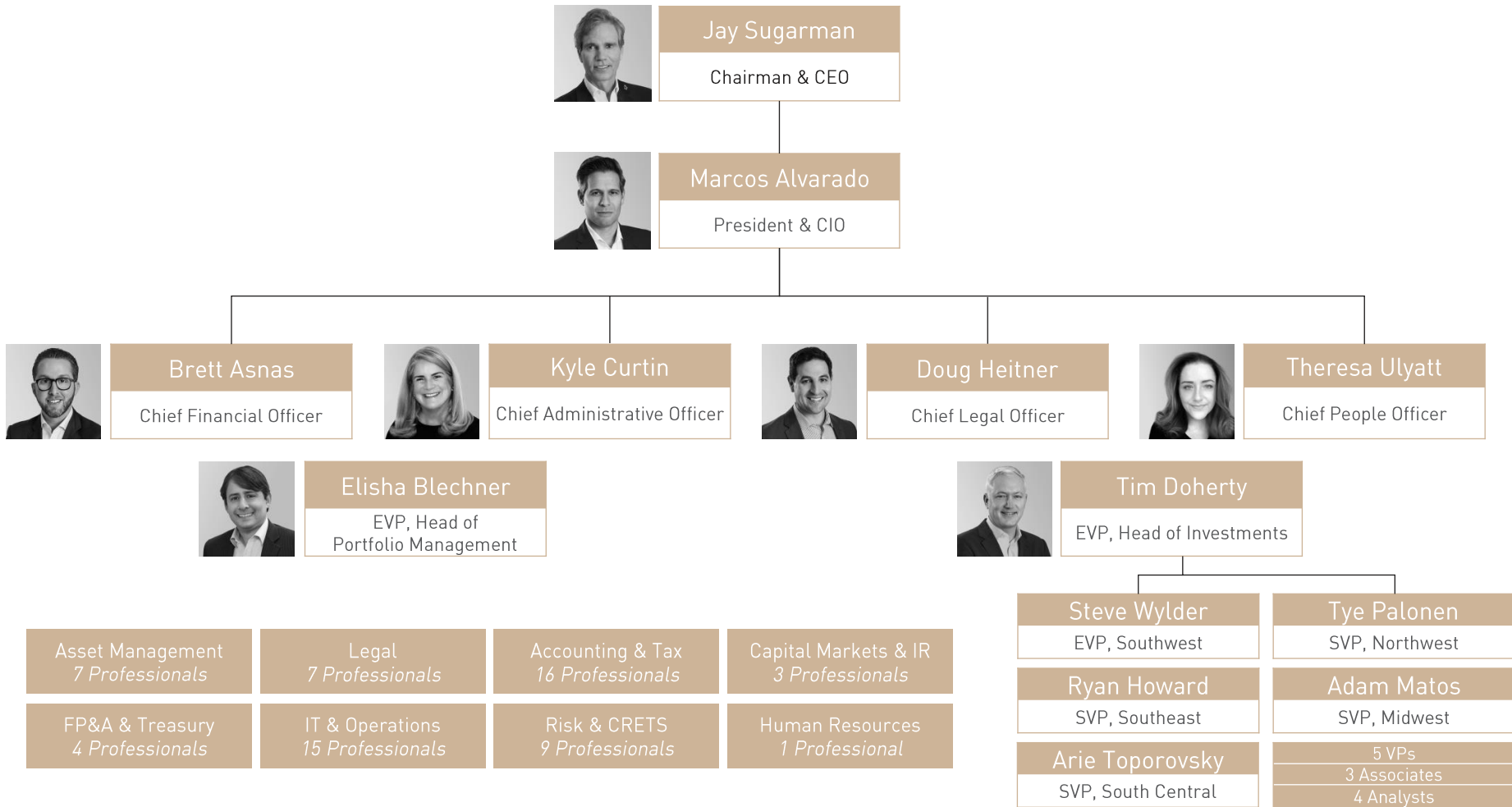
(2) Assumes 5.5% fixed interest rate, 10-year term, 60% LTV of building value.

(3) Assumes 4.25% initial yield, 2.0% annual escalators, 99-year term, 40% GLTV of combined property value.

04 Management and Organization

Organization Structure

Safehold benefits from its full-service platform (87 employees) and leadership team with decades of experience in all key functions



Management Team Biographies



Jay Sugarman
Chairman & Chief Executive Officer

- Chief Executive Officer since 1997
- Recognized innovator in commercial real estate industry for past 30 years, founding and leading both iStar and Safehold
- BA from Princeton University (Valedictorian nominee and Volcker Award in Economics) and MBA from Harvard Business School (Baker Scholar and Loeb Award in Finance)



Marcos Alvarado
President & Chief Investment Officer

- Responsible for overseeing all facets of the business along with overseeing investments across the portfolio and driving growth and product innovation
- Prior to joining (NYSE: STAR) in the beginning of 2018, invested \$30b+ across all parts of capital structure throughout his career, most recently as Head of Acquisitions & Business Operations for Cadre and previously as a Managing Director at Starwood Capital Group, overseeing corporate platform investing for their opportunity fund business and STWD
- BA from Dartmouth College



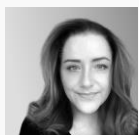
Brett Asnas
Chief Financial Officer

- Responsible for overseeing capital markets, investor relations, treasury, finance, strategy and ESG
- Prior to joining (NYSE: STAR) in 2008, Mr. Asnas held positions in the real estate private equity business at Fortress Investment Group, the real estate investment banking division at Nomura Securities, and structured finance advisory at Ernst & Young LLP
- BS in Finance from the School of Management at Binghamton University



Doug Heitner
Chief Legal Officer

- Responsible for overseeing legal matters, coordinating with counsels, and providing direction on all legal and regulatory issues
- Prior to joining (NYSE: STAR) in the beginning of 2019, Mr. Heitner was a partner in Kasowitz Benson Torres' Real Estate Transactions group
- BA from Dartmouth College and JD from New York University School of Law



Theresa Ulyatt
Chief People Officer

- Responsible for talent acquisition, performance management, employee engagement, diversity, equity, inclusion, and human resources
- Prior to joining (NYSE: STAR) in 2018, Ms. Ulyatt spent over two decades in human capital roles both in Fortune 50 and in emerging, entrepreneurial organizations
- BA in Psychology from Russell Sage College; Certified Diversity Executive



Timothy Doherty
Head of Investments

- Has led the SAFE ground lease investment team since inception growing the team to over 20 members and the portfolio to over 130 deals and over \$6b
- Prior to leading the investment team, Mr. Doherty worked in RE PE and structured finance, including Whitehall Funds, NYSE: STAR and was the co-founder of Shem Creek Capital, a boutique RE finance fund. Total transactions completed of \$10b+
- BS in Finance from Georgetown University



Kyle Curtin
Chief Administrative Officer

- Responsible for providing leadership and oversight of Operations, Technology and Human Resources
- Prior to joining (NYSE: STAR), Ms. Curtin was a member of the global leadership team and led restructuring efforts at American Express Global Business Travel
- BA from Smith College and MBA from Columbia Business School



Elisha Blechner
Head of Portfolio Management

- Responsible for the firm's asset management efforts, including development, risk management, reporting and servicing teams
- Prior to leading Portfolio Management, Mr. Blechner was an EVP on the Investments team, responsible for originating, structuring, underwriting and closing investments throughout the capital structure
- Prior to joining (NYSE: STAR), Mr. Blechner served as an Investment Banking analyst at Bear, Stearns & Co. Inc.
- BS in Economics from the University of Pennsylvania

Appendix

Income Statement

	For the three months ended March 31,	
	2023	2022
Revenues:		
Interest income from sales-type leases	\$57,062	\$43,031
Operating lease income	20,901	16,966
Other income	366	366
Total revenues	\$78,329	\$60,363
Costs and expenses:		
Interest expense	\$40,873	\$25,321
Real estate expense	1,206	707
Depreciation and amortization	2,398	2,402
General and administrative	15,067	9,194
Provision for credit losses	2,242	-
Other expense	14,089	108
Total costs and expenses	\$75,875	\$37,732
Income from operations before other items	\$2,454	\$22,631
Earnings from equity method investments	2,262	2,276
Net income	\$4,716	\$24,907
Net (income) attributable to noncontrolling interests	(34)	(34)
Net income attributable to Safehold Inc. common shareholders	\$4,682	\$24,873
Weighted avg. share count (basic)	63,672	59,284
Weighted avg. share count (diluted)	63,672	59,285
Earnings per share (basic & diluted)	\$0.07	\$0.42

Note: Figures in thousands except for per share amounts.

Balance Sheet

	As of March 31, 2023	As of December 31, 2022
Assets:		
Net investment in sales-type leases	\$3,139,831	\$3,106,599
Ground Lease receivables	1,431,478	1,374,716
Real estate:		
Real estate, at cost	740,971	740,971
Less: accumulated depreciation	(35,878)	(34,371)
Real estate, net	705,093	706,600
Real estate-related intangible assets, net	216,120	217,795
Real estate available and held for sale	1,508	-
Total real estate, net and real estate-related intangible assets, net	922,721	924,395
Loans receivable, net - related party	112,150	-
Equity investments	243,490	180,388
Goodwill	155,797	-
Cash and cash equivalents	20,335	20,066
Restricted cash	27,954	28,324
Deferred operating lease income receivable	156,697	148,870
Deferred expenses and other assets, net	80,109	67,564
Total assets	\$6,290,562	\$5,850,922
Liabilities:		
Accounts payable, accrued expenses, and other liabilities	\$126,204	\$100,357
Real estate-related intangible liabilities, net	64,382	64,591
Debt obligations, net	3,901,838	3,521,359
Total liabilities	\$4,092,424	\$3,686,307
Redeemable noncontrolling interests	\$19,011	\$19,011
Equity:		
Safehold Inc. shareholders' equity:		
Common stock	\$639	\$624
Additional paid-in capital	2,031,026	1,986,417
Retained earnings	144,164	151,226
Accumulated other comprehensive income (loss)	(24,200)	3,281
Total Safehold Inc. shareholders' equity	\$2,151,629	\$2,141,548
Noncontrolling interests	\$27,498	\$4,056
Total equity	\$2,179,127	\$2,145,604
Total liabilities, redeemable noncontrolling interests and equity	\$6,290,562	\$5,850,922

Note: Figures in thousands.

Portfolio Reconciliation

	IPO (6/22/17)	3/31/19	3/31/20	3/31/21	3/31/22	3/31/23
Net investment in Sales-Type Leases	-	\$129	\$1,029	\$1,312	\$2,740	\$3,140
Ground Lease receivables	-	-	\$422	\$661	\$1,017	\$1,431
Pro-rata interest in Ground Leases held as equity method investments	-	-	\$342	\$346	\$442	\$446
Real estate, net (Operating Leases)	\$265	\$661	\$670	\$729	\$711	\$705
Add: Accumulated depreciation	1	12	18	24	30	36
Add: Lease intangible assets, net	123	237	241	241	223	216
Add: Accumulated amortization	1	11	18	25	31	38
Add: Other assets	-	25	24	23	22	21
Add: CECL allowance	-	-	-	-	-	1
Less: Lease intangible liabilities, net	(51)	(58)	(57)	(66)	(65)	(64)
Less: Noncontrolling interest	-	(2)	(2)	(2)	(2)	(2)
Gross Book Value	\$339	\$1,015	\$2,705	\$3,292	\$5,148	\$5,967
Add: Forward Commitments	-	74	96	103	310	238
Aggregate Gross Book Value	\$339	\$1,089	\$2,800	\$3,395	\$5,458	\$6,205
Less: Accruals to net investment in leases and ground lease receivables	-	-	(15)	(53)	(118)	(198)
Less: Future acquisition commitment	-	-	-	(83)	-	-
Aggregate Cost Basis	\$339	\$1,089	\$2,785	\$3,260	\$5,340	\$6,008
Less: Forward Commitments	-	(74)	(96)	(20)	(310)	(238)
Cost Basis	\$339	\$1,015	\$2,689	\$3,240	\$5,030	\$5,770

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

Earnings Reconciliation

	For the three months ended March 31,	
	2023	2022
Net income attributable to Safehold Inc. common shareholders	\$4,682	\$24,873
Add: Merger & Caret related costs and non-recurring gains ¹	21,597	-
Net income excluding merger & Caret related costs and non-recurring gains for the period	\$26,279	\$24,873
Impact attributable to noncontrolling interests	-	-
Net income attributable to Safehold Inc. common shareholders excluding merger & Caret related costs and non-recurring gains for the period	\$26,279	\$24,873
Weighted average number of common shares - Basic	63,672	59,284
Weighted average number of common shares - Diluted	63,672	59,285
Basic EPS excluding merger & Caret related costs and non-recurring gains for the period	\$0.41	\$0.42
Diluted EPS excluding merger & Caret related costs and non-recurring gains for the period	\$0.41	\$0.42

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

(1) Merger and Caret related costs were \$21.6m in Q1'23 including \$9.4m expenses and reserves primarily related to legal, tax, accounting and advisors, \$6.9m transfer tax and \$5.3m G&A primarily related to the termination of pre-existing iStar incentive plans and other miscellaneous items. Q1'22 does not have such costs. There were no non-recurring gains during these periods.

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 April 27, 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, 1,499,757 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 a result, we currently own approximately 82.0% 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

Annualized Yield	Calculated as the annualized base Net Rent plus Percentage Rent divided by GBV.
Aggregate Gross Book Value	Represents the Current Portfolio plus unfunded commitments. For unfunded commitments, it represents the aggregate future amount to be paid under the commitments. Does not include Star Holdings Loan, GL Plus Fund and Leasehold Loan Fund.
Annualized Cash Yield	Calculated as the annualized base Cash Rent plus Percentage Rent divided by Cost Basis.
Annualized Yield	Calculated as the annualized base Net Rent plus Percentage Rent divided by GBV.
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. In conjunction with the merger, MSD committed to buy 1.0% of the total outstanding Caret units with no redemption rights in August 2022 and certain other investors committed to buy an aggregate 22,500 Caret units on the same terms and conditions in November 2022. Purchase closed on 3/31/23 in connection with the merger.
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.
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.
Cost Basis	Represents the historical purchase price of an asset, including capitalized acquisition costs. Does not include Star Holdings Loan, GL Plus Fund and Leasehold Loan Fund.
Current Portfolio	Represents the portfolio of assets owned at the date indicated, measured using Gross Book Value. Does not include unfunded commitments.
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.
Gross Book Value (GBV)	Represents Cost Basis plus accrued interest on sales-type leases. The amount is not reduced for CECL allowances. Does not include Star Holdings Loan, GL Plus Fund and Leasehold Loan Fund.
Ground Lease-to-Value (GLTV)	Calculated as the Aggregate GBV divided by CPV. Safehold uses this metric to assess risk and our seniority level in a real estate capital structure. Similar to the concept of the LTV metric used in the loan market.
Ground Lease Plus Commitment (GL+)	Safehold's commitment or option to purchase ground leases from iStar or a third-party contingent on certain development and timing criteria.
Inflation Adjusted Yield	Computed similarly to effective yield on a bond, the Inflation Adjusted Yield is calculated using projected cash flows beginning 4/1/2023 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 assumed inflation scenario for the duration of the leases. For ground leases that have other forms of inflation capture including fair market value resets and percentage rent based on building revenue, this metric assumes fair market value and building revenue increase by the assumed inflation scenario annually.
Net Rent	GAAP Rent less depreciation & amortization. This includes the amortization of a right of use asset recorded as real estate expense (totals \$1.0m annualized). Includes our proportionate share of GAAP rent and amortization from our equity method investments.
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 and the portfolio's Aggregate Cost Basis. The Company tracks UCA because we believe it provides relevant information with regard to the three key investment characteristics of our ground leases: (1) the safety of our position in a tenant's capital structure; (2) the quality of the long-term cash flows generated by our portfolio rent that increases over time; and (3) increases and decreases in CPV of the portfolio that will ultimately revert to us.