

An aerial photograph of New York City, showing the dense urban landscape of Manhattan, Central Park, and the Hudson River. The sky is filled with large, dramatic clouds. The text 'THE REVOLUTION HAS BEGUN' is overlaid in the center, and the Safehold logo is in the top right corner.

Safehold

THE REVOLUTION HAS BEGUN

September 2019

Forward-Looking Statements and Other Matters

This release 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. 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 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).

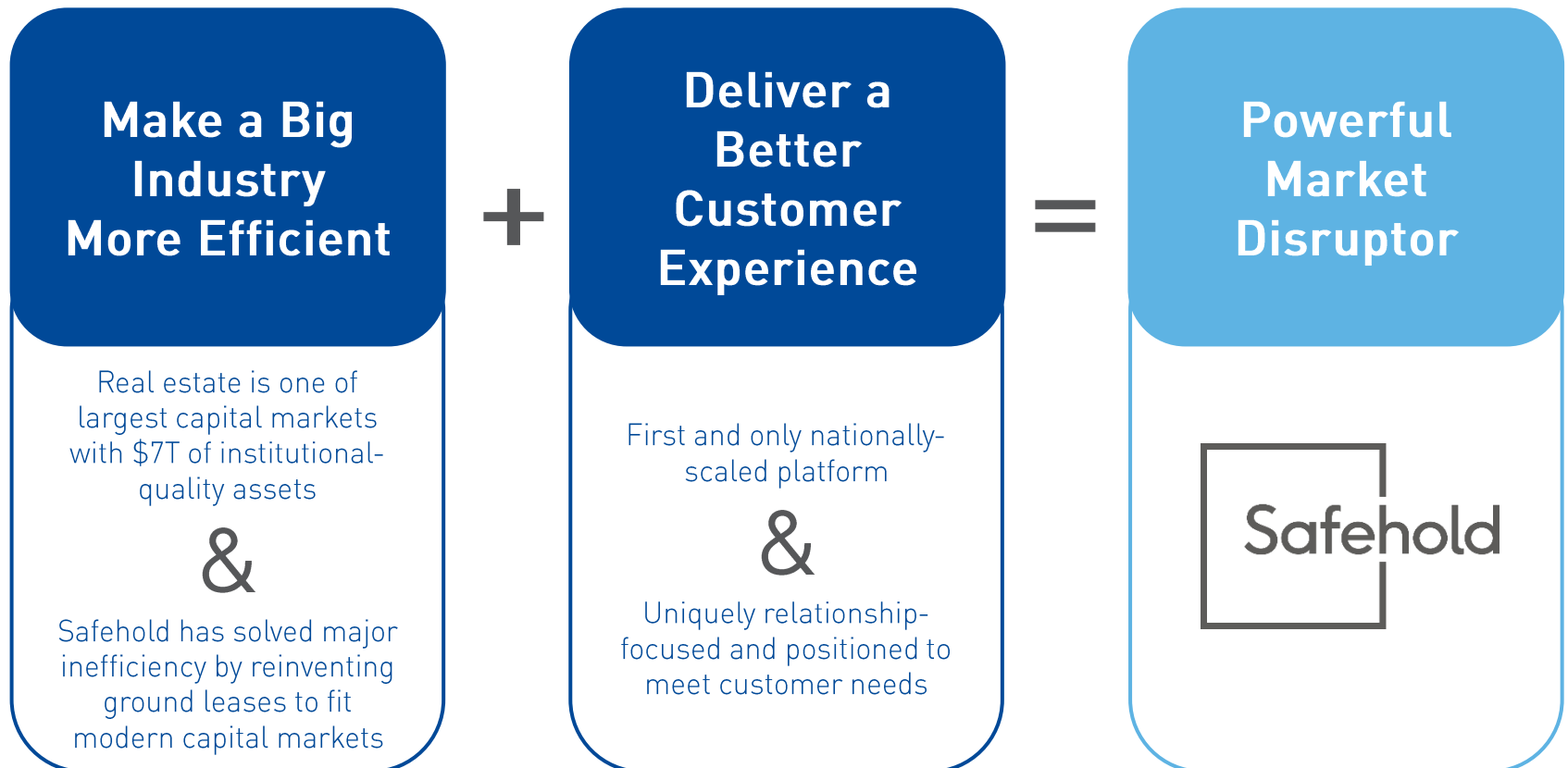
The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: market demand for ground lease capital; the Company’s ability to source new ground lease investments; risks that the rent adjustment clauses in the Company’s leases will not adequately keep up with changes in market value and inflation; risks associated with certain tenant and industry concentrations in our portfolio; conflicts of interest and other risks associated with the Company’s external management structure and its relationships with iStar and other significant investors; 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); risks that tenant rights in certain of our ground leases will limit or eliminate the Owned Residual realizations from such properties; 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); dependence on the creditworthiness of our tenants and their financial condition and operating performance; competition from other ground lease investors and risks associated with our failure to qualify for taxation as a REIT under the Internal Revenue Code of 1986, as amended. Please refer to the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2018, our Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, 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.

Note: Please refer to the Glossary at the end of this presentation for a list of defined terms and metrics.

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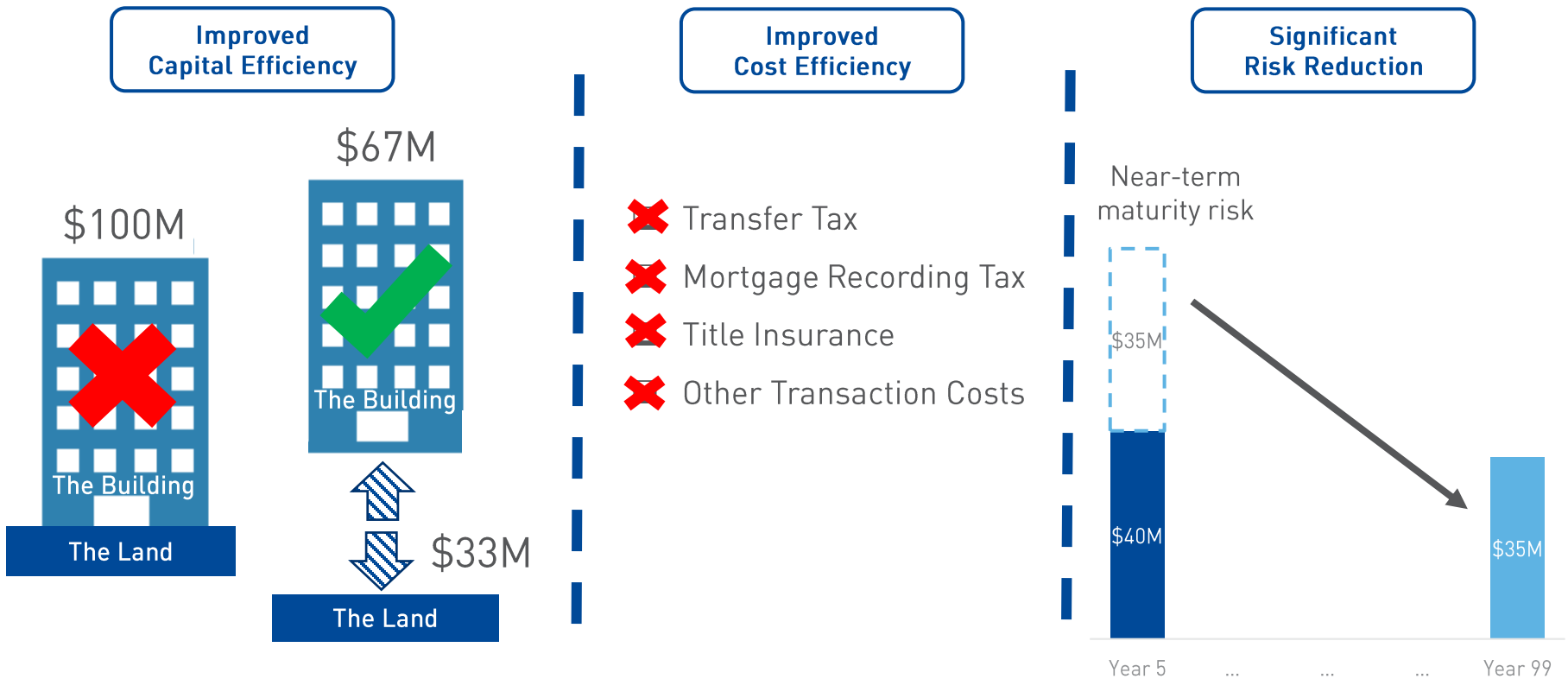
Proven Formula for Success

Safehold is *revolutionizing* commercial real estate ownership by providing a *better and more efficient way* for owners to *unlock the value* of the land beneath their buildings.



A Better, More Efficient Solution

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



Much like equity and debt, building and land should be capitalized as discrete investments

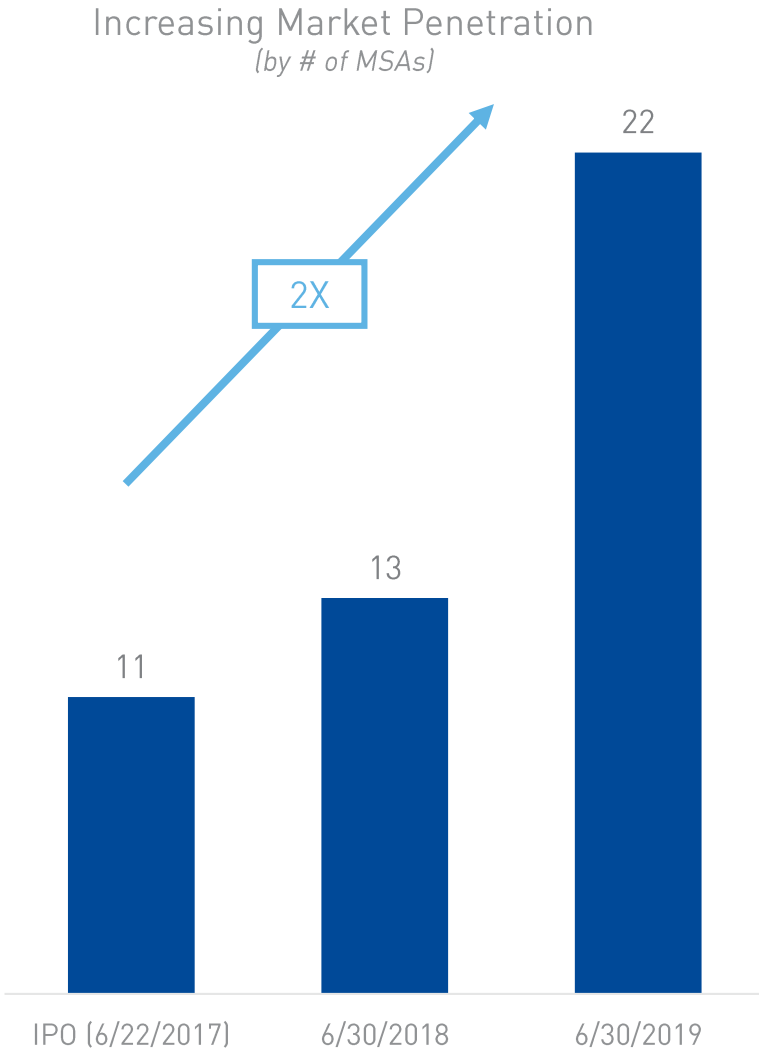
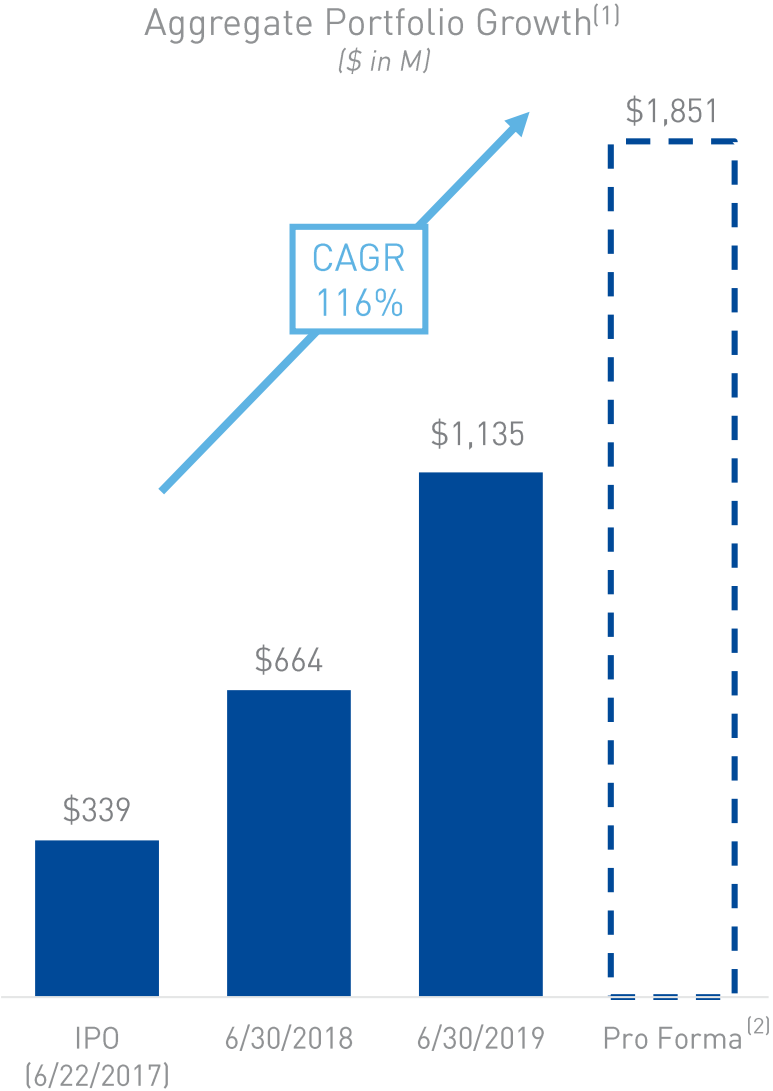
<u>Building Investment</u>	vs.	<u>Land Investment</u>
5 to 10 year hold	vs.	99 year hold
Active management	vs.	Passive management
Higher ROE asset	vs.	Lower ROE asset

Reduces friction costs associated with future real estate transactions by giving one-third of capital an ultra-long term structure⁽¹⁾

Eliminates debt maturity risk on a large portion of capital structure by replacing it with near-permanent capital

(1) Refers to certain costs associated with current and future transactions over the life of the lease including financing fees, transfer fees, and mortgage recording fees.

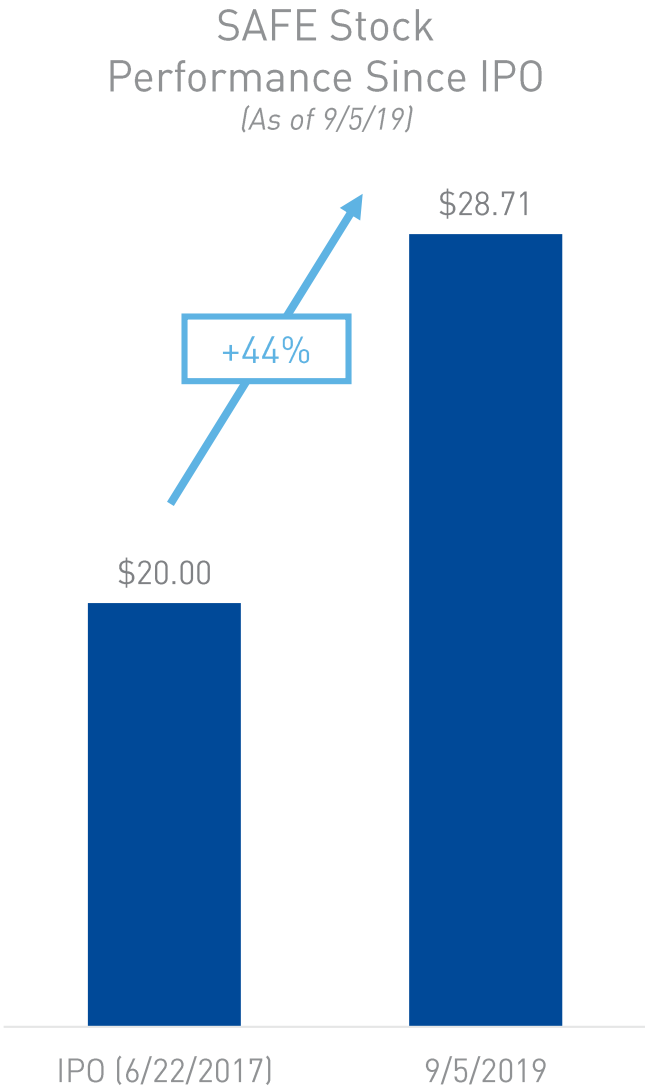
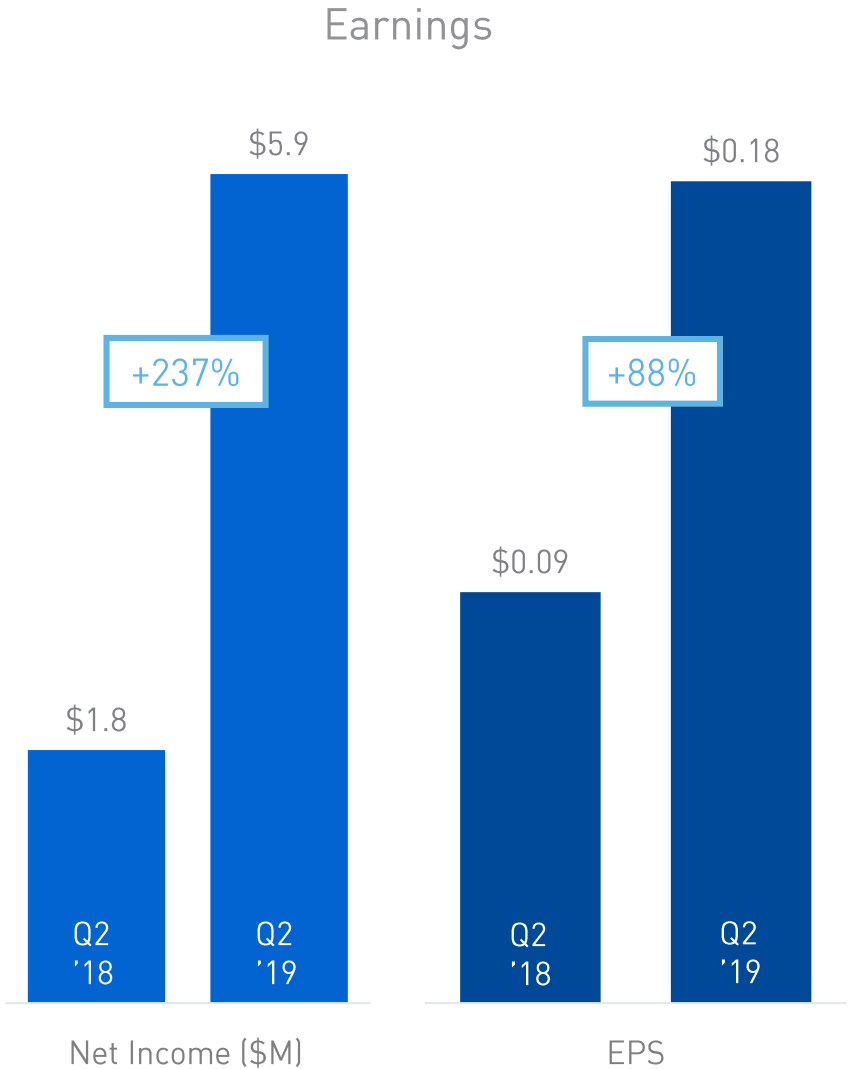
Gaining Traction – Growing Customer Penetration



(1) Aggregate Gross Book Value. See Appendix for reconciliation.

(2) Presented pro forma for new ground lease originations closed after June 30, 2019 and transactions under definitive signed agreement announced after June 30, 2019.

Gaining Traction – Strong Financial Performance



3 Key Investment Attributes of Safehold's Portfolio

A One-of-a-Kind Combination of Quality, Value and Growth

1

Superior Principal Safety

- ❑ Senior position in capital structure⁽¹⁾
- ❑ Senior priority of rent payment⁽¹⁾
- ❑ Observed default rate similar to AAA CMBS (< 1 %)

2

Attractive Returns

- ❑ Opportunity for superior risk-adjusted returns
- ❑ Contractual growing income streams with up to 99 years of call protection
- ❑ Fixed annual escalators of 2% with CPI lookbacks provide protection in a higher inflation environment

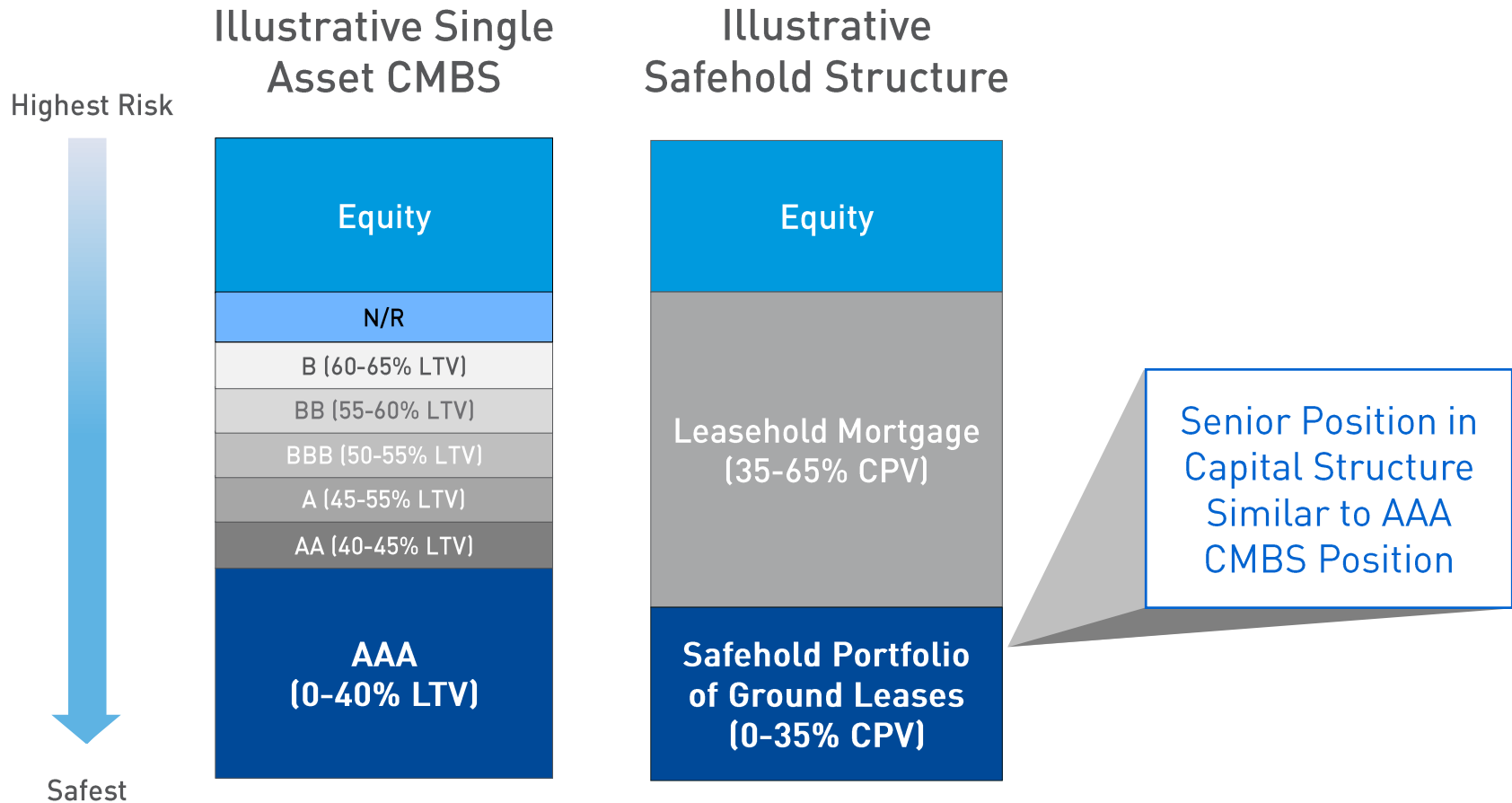
3

Embedded Capital Appreciation

- ❑ Growing portfolio creates potential for capturing significant unrealized value

(1) Safety and seniority derived from typical structure of a Ground Lease under which landlord has a residual right to regain possession of land and take ownership of the building and improvements thereon upon a tenant default. The landlord's residual right provides strong incentive for a Ground Lease tenant or its leasehold lender to make the required ground lease payments. Additionally, Combined Property Value typically significantly exceeds ground lease landlord's investment, providing protection against loss.

Superior Principal Safety



Note: Safety and seniority derived from typical structure of a Ground Lease under which landlord has a residual right to regain possession of land and take ownership of the building and improvements thereon upon a tenant default the landlord's residual right provides strong incentive for a Ground Lease tenant or its leasehold lender to make the required ground lease payments. Additionally, Combined Property Value typically significantly exceeds ground lease landlord's investment, providing protection against loss.

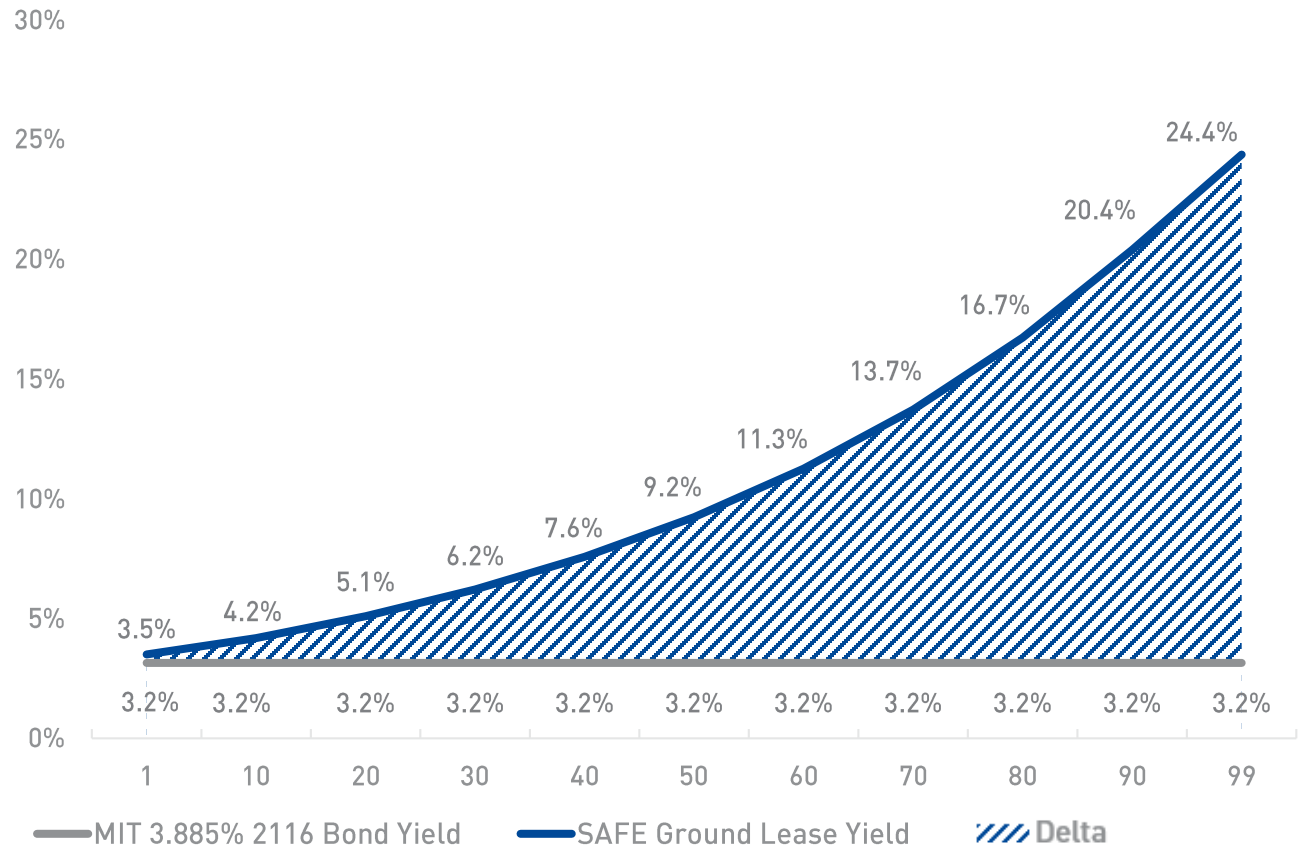
Attractive Returns vs. Comparable Bond

Contractual rent increases create long-term compounding cash flows that generate superior risk-adjusted returns versus similar-risk fixed income securities

Ground Lease vs. 100-Year MIT Bond

Why Compare to a 100-Year MIT bond?

- ☐ Best benchmark for long-dated AAA cash flows
- ☐ 43 entities have issued 100-year bonds since 2000, but only MIT is AAA rated



Note: Illustrative example of a 99-year Safehold™ Ground Lease with 2.0% annual rent growth and a year one cash rate of 3.5%. Massachusetts Institute of Technology 2116 unsecured AAA-rated bonds trade at a yield to maturity of 3.15% as of 9/5/19.

Attractive Returns - Premium Asset & Platform

Premium Asset Value

Diversified portfolio generates superior risk-adjusted returns

Illustrative Model

	Ground Lease Returns ⁽²⁾ Cost of Debt ⁽³⁾	5.0% - 5.5% 3.75% - 4.5%	Premium Spread 2x Leverage	MIT	
				Bond Comparison ⁽¹⁾ Issue	YTM
Return on Equity (ROE)		~7.5%		3.9% due 2116	3.2%
				4.7% due 2114	3.2%
				5.6% due 2111	3.2%



Premium Platform Value

Unique, fast-growing, nationally-scaled platform with growing competitive advantages and superior risk-adjusted returns

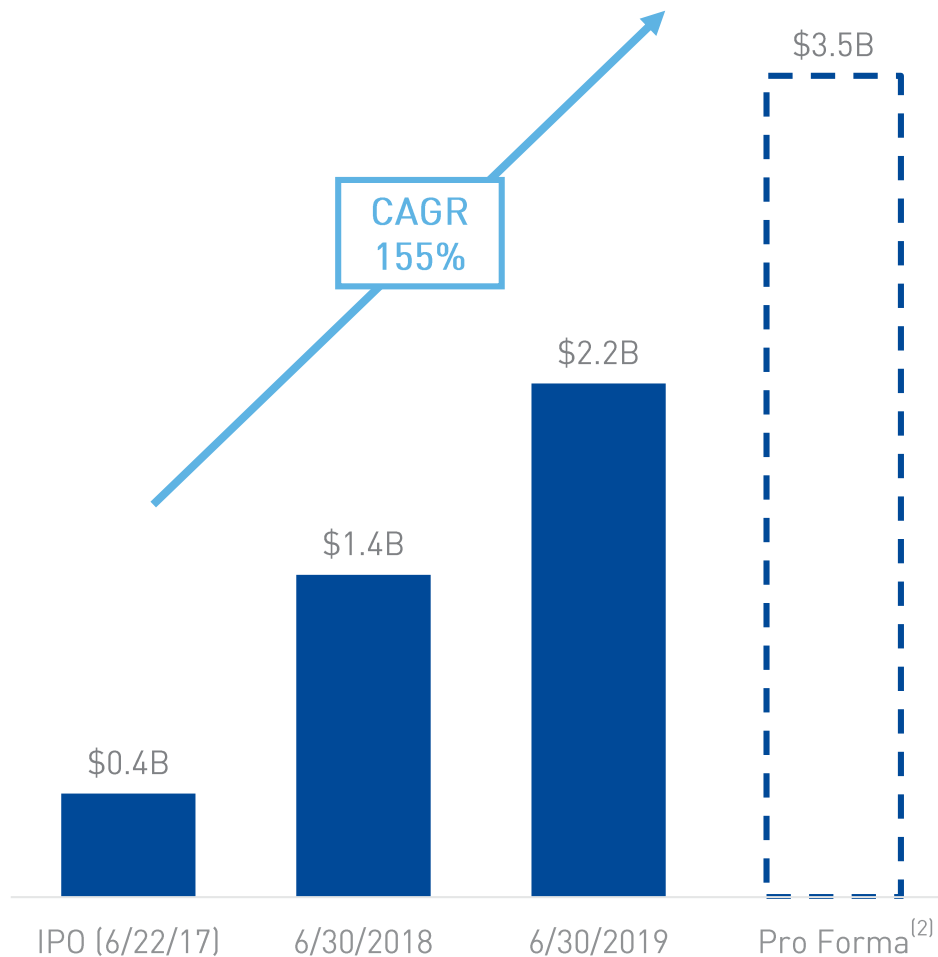
Note: This presentation is illustrative only and may not be indicative of our future performance. This presentation is based on certain assumptions, including those specified herein and the absence of any material GL non-performance, that may prove to be inaccurate, and it does not give effect to G&A expenses. No assurance can be given regarding the timing of future investment activity, that we will achieve the Ground Lease returns shown above in this presentation or that our financing and other assumptions will prove to be accurate. Readers are cautioned not to place undue reliance on this presentation, as our future results may be less favorable than implied by this presentation, and should not interpret this presentation as a projection of our future performance.

(1) Represents several series of AAA unsecured bonds priced as of 9/5/19. Coupons are displayed rounded for simplicity.

(2) Represents the targeted yield to maturity on newly originated Safehold ground leases.

(3) Illustrative Cost of Debt based on estimated all-in cost of recent debt issuance, including issuance and hedging costs.

Unrealized Capital Appreciation Growth



The Unrealized Capital Appreciation in Our Owned Residual Portfolio is calculated as today's estimated Combined Property Value (CPV) less the Aggregate Cost Basis of SAFE's portfolio. CRE conducts independent appraisals of the CPV of each asset.⁽¹⁾

Note: Please refer to the Glossary in the Appendix for a definition of Owned Residual Portfolio and Unrealized Capital Appreciation. \$ in millions.

(1) SAFE relies in part on CBRE's appraisals in calculating Owned Residual Portfolio and Unrealized Capital Appreciation. SAFE may utilize management's estimate of CPV for ground lease investments recently acquired that CBRE has not yet appraised. For forward commitments, CPV represents the cost to build inclusive of the ground lease. Please refer to our Current Report on Form 8-K filed with the SEC on July 26, 2019 and "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2018, and Quarterly Report on 10-Q for the quarter ended June 30, 2019 as updated from time to time in our subsequent periodic reports, filed with the SEC, for a discussion of risks associated with Unrealized Capital Appreciation.

(2) Presented pro forma for new ground lease originations closed after June 30, 2019 and transactions under definitive signed agreement announced after June 30, 2019. There can be no assurance deals under contract will close.

Conclusion

**Outsized
Opportunity**

- ❑ Using a deep skill set and history of innovation to solve a major market inefficiency in the \$7 trillion U.S. institutional real estate market
-

**Growth and
Value**

- ❑ Fast growing platform generating well above market returns with minimal principal risk creates unique combination for investors
-

Sponsorship

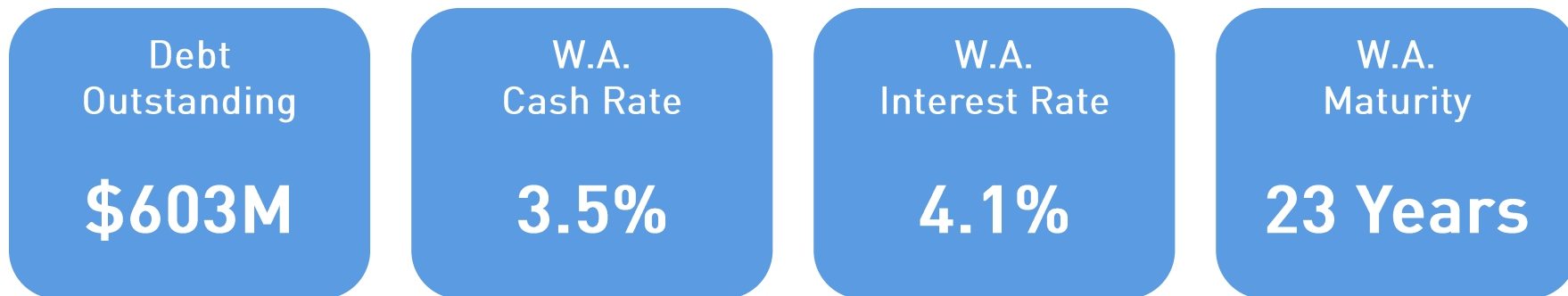
- ❑ Strong sponsorship from largest shareholder and manager, iStar, which has invested additional ~\$435M since IPO

APPENDIX

Debt Overview

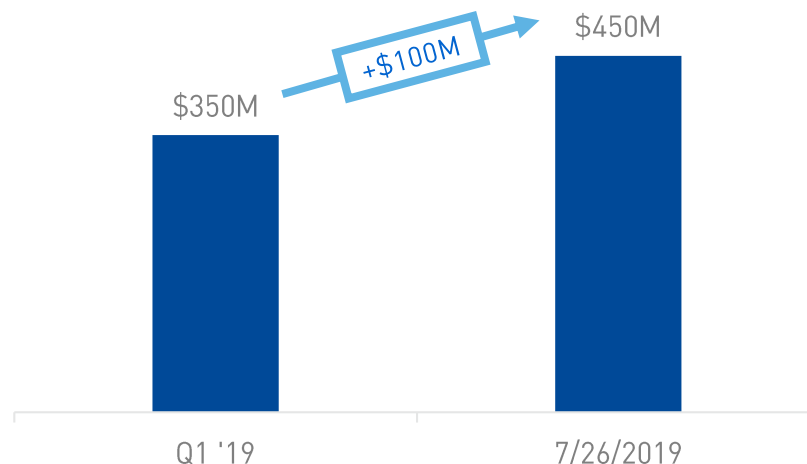
(As of July 26, 2019)

Improving Liability Structure⁽¹⁾



Upsized Revolver⁽²⁾

- ❑ Refinanced short-term debt with long-term financing
- ❑ Expanded Bank Group
- ❑ Upsized Revolver Capacity by \$100M



(1) Includes financings closed subsequent to the end of the second quarter.

(2) Closed subsequent to the end of the second quarter.

Income Statements

	For the three months ended June 30,		For the six months ended June 30,	
	2019	2018	2019	2018
Revenues:				
Operating lease income	\$17,196	\$9,861	\$37,712	\$21,141
Interest income from sales-type leases	1,880	-	2,802	-
Other income	604	1,713	986	2,126
Total revenues	\$19,680	\$11,574	\$41,500	\$23,267
Costs and expenses:				
Interest expense	\$5,986	\$3,376	\$10,507	\$6,631
Real estate expense	645	398	1,457	752
Depreciation and amortization	2,343	2,275	4,686	4,546
General and administrative	4,474	3,292	7,456	5,324
Other expense	290	471	315	510
Total costs and expenses	\$13,738	\$9,812	\$24,421	\$17,763
Net income	\$5,942	\$1,762	\$17,079	\$5,504
Net (income) attributable to non-controlling interests	(\$1,419) ⁽¹⁾	(\$59)	(\$5,937) ⁽¹⁾	(\$82)
Net income attributable to Safehold Inc. and allocable to common shareholders	\$4,523	\$1,703	\$11,142	\$5,422
Weighted avg. share count	25,640	18,191	22,001	18,191
Earnings per share	\$0.18	\$0.09	\$0.51	\$0.30

Note: \$ in thousands except for per share amounts.

(1) Safehold exchanged all of iStar's 12.5M LP units into shares of SAFE common stock on a one-for-one basis on May 9, 2019. Represents the allocation of net income for the partial period that the LP units were outstanding. At June 30, 2019 Safehold had 30.9M common shares outstanding.

Balance Sheets

	June 30, 2019	December 31, 2018
Assets:		
Real estate		
Real estate, gross	\$676,503	\$669,923
Accumulated depreciation	(13,271)	(10,257)
Real estate, net	\$663,232	659,666
Real estate-related intangibles, net ⁽¹⁾	177,801	204,911
Ground lease assets, net	\$841,033	864,577
Net investment in leases	159,847	-
Cash and cash equivalents	73,004	16,418
Other assets	101,725	41,128
Total assets	\$1,175,609	\$922,123
Liabilities:		
Debt obligations, net	\$544,945	\$543,965
Accounts payable and other liabilities	37,600	20,800
Total liabilities	\$582,545	\$564,765
Equity:		
Common stock	\$309	\$183
Additional paid-in capital	626,793	370,530
Retained earnings (deficit)	(4,926)	(8,486)
AOCI	(30,341)	(6,876)
Total shareholders' equity	\$591,835	\$355,351
Non-controlling interests	1,229	2,007
Total equity	\$593,064	\$357,358
Total liabilities and equity	\$1,175,609	\$922,123

Note: \$ in thousands.

(1) "Real estate-related intangibles, net" represents real estate-related intangible assets of \$235M and \$263M as of June 30, 2019 and December 31, 2018, respectively, less real estate-related intangible liabilities of \$58M as of June 30, 2019 and December 31, 2018, respectively.

Portfolio Reconciliation

	6/22/17 (IPO)	6/30/18	6/30/19	Announced + Closed Subsequent to 6/30/19	Pro Forma Total
Net investment in leases (Sales Type Leases)	-	-	\$160		
Real estate, net (Operating Leases)	\$265	\$477	\$663		
Add: Accumulated depreciation	1	7	13		
Add: Lease intangible assets, net	123	197	235		
Add: Accumulated amortization	1	6	12		
Add: Other assets	-	-	25		
Less: Lease intangible liabilities, net	(51)	(58)	(58)		
Gross Book Value	\$339	\$630	\$1,051	\$716	\$1,767
Forward Commitments	-	34	83	-	-
Aggregate Gross Book Value	\$339	\$664	\$1,135	\$716	\$1,851
Less: Accruals to net investment in leases	-	-	(1)	-	-
Aggregate Cost Basis	\$339	\$664	\$1,134	\$716	\$1,850

Note: \$ in millions.

Appendix

Glossary

Aggregate Cost Basis	Represents Cost Basis plus forward commitments. For forward commitments, it represents the aggregate contractual purchase price to be paid under the commitments.
Aggregate Gross Book Value	Represents the Current Portfolio plus forward commitments. For forward commitments, it represents the contractual purchase price to be paid under the commitments.
Annualized Cash Rent	Calculated as the annualized base cash rent for both operating and sales type leases plus Percentage Rent for the period indicated.
Cash Rent	Represents operating lease income and interest income from sales type ground leases recognized for the period indicated excluding straight-line rent, amortization of lease intangibles, and non-cash income from sales type leases.
Cost Basis	Represents the historical purchase price of an asset.
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 management estimates for recently acquired and originated ground leases for which appraisals are not yet available. In relation to forward commitments, CPV represents the total cost associated with the acquisition, development, and construction of the project.
Current Portfolio	Represents the portfolio of assets owned at the date indicated, measured using Gross Book Value. Does not include forward commitments.
Effective Yield	Effective Yield is computed similarly to effective yield on a bond, using the rate implicit in the lease based on the contractual future cash flows and a residual equal to our cost of the land.
Gross Book Value (GBV)	Represents the historical purchase price of an asset plus accrued interest on sales type leases.
Interest Rate	The all-in stated interest rate over the term of the debt.
Leverage	The ratio of book debt to book equity.
Owned Residual Portfolio	Represents the portfolio of properties under which Safehold owns a ground lease and reflects Safehold's right to the . 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 percentage rent for assets owned for over a year and annualized percentage rent estimate if owned for less than a year.
Safehold™/Safehold™ Ground Lease	A ground lease structured by SAFE.
Unrealized Capital Appreciation	Calculated as the difference between CPV and the portfolio's Aggregate Cost Basis. The Company believes Unrealized Capital Appreciation represents additional potential value to SAFE stockholders through the reversion rights embedded in standard ground leases.