Safehold

Q1'23

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) 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 to 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 acquier 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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Q1'23 Highlights

Transformative Transaction Closed

Internalizes Management
Better Structure

Creates Go-Forward Operating Synergies
Better Economics

Adds Rating Momentum And MSD Partnership
Better Investor Profile

Expanded Capital Sources

$500 Million
New Joint Venture with Leading Sovereign Wealth Fund[1]

$900 Million
Cash & Credit Facility Availability[2]

$2.0 Billion
Caret Valuation Based on Most Recent Round[3]

Solid Portfolio Metrics[4]

$6.2 Billion
Total Portfolio Aggregate GBV[5]

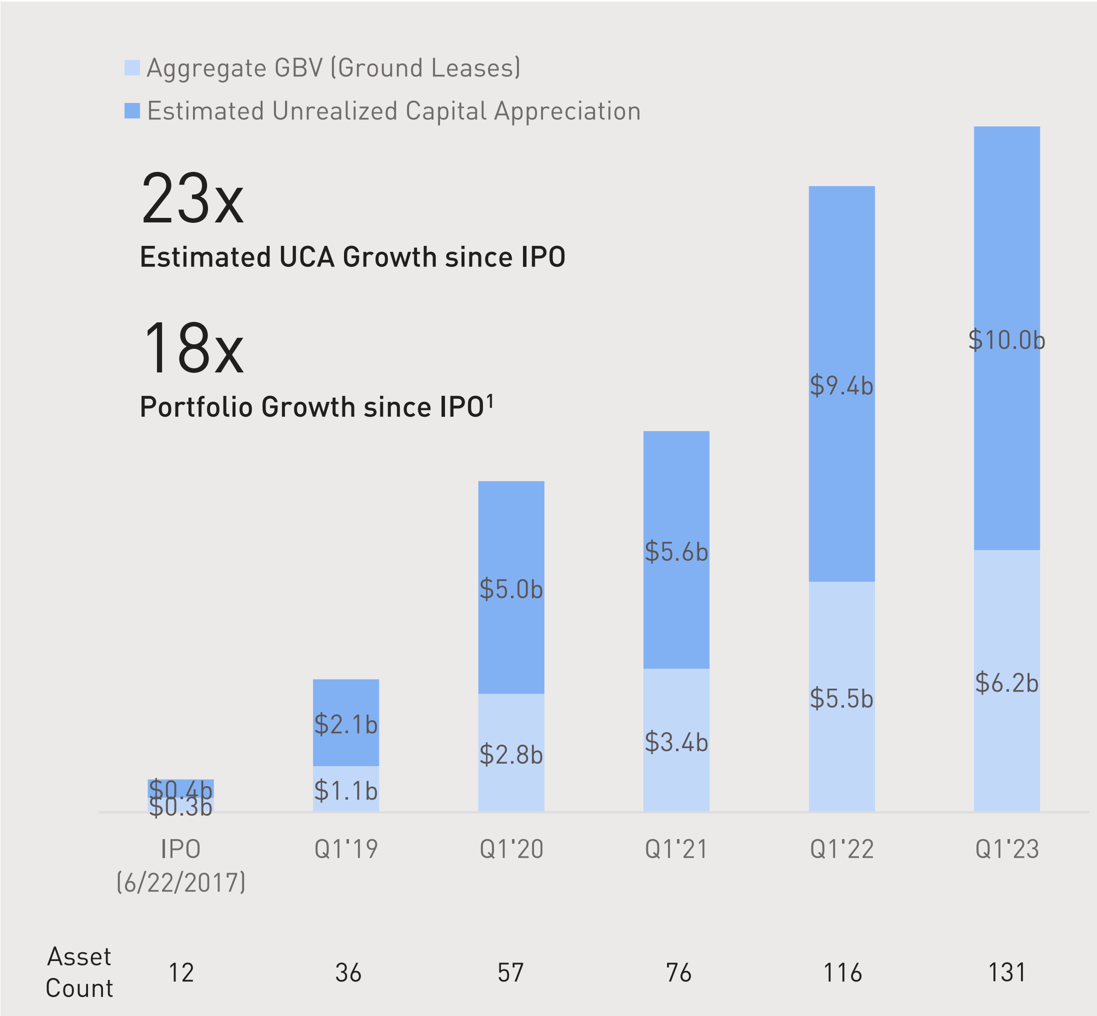
$10.0 Billion
Total Portfolio Estimated UCA

42% / 3.9x
GLTV / Rent Coverage[6]

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

(1) Safehold target commitment of $275m and partner target commitment of $225m. Each party's commitment is discretionary.
(2) Based on cash & cash equivalents and unused capacity of the unsecured revolving credit facilities as of 3/31/23.
(3) 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 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.
(4) Does not include $115m Star Holdings Loan and $61m GL Plus Fund and Leasehold Loan Fund (purchased iStar's share of 53% upon merger).
(5) Includes $238m of forward commitments that have not yet been funded as of 3/31/23. There can be no assurance that Safehold will fully fund these transactions.
(6) 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.

Portfolio Growth



$70m	Fundings on existing ground leases in Q1'23
$176m	Investments made associated with merger closing[2]

Total Square Feet: 33.2m[3]

Multifamily	14.9m Sq. Ft. (16.5k Units)
Office	13.2m Sq. Ft.
Hotel	3.8m Sq. Ft. (5.1k Keys)
Life Science	0.7m Sq. Ft.
Mixed Use & Other	0.7m Sq. Ft.

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) The portfolio is presented using Aggregate Gross Book Value. As of 3/31/23, the portfolio included $238m of forward commitments 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.

(2) Includes $115m Star Holdings Loan, $61m GL Plus Fund and Leasehold Loan Fund (purchased iStar's share of 53% upon merger), which are not included in any other metrics on this page.

(3) 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

		Q1'23	Q1'22	Y/Y Growth
Revenues		$78.3m	$60.4m	30%
Net Income Attributable to Safehold Inc. common shareholders	GAAP	$4.7m	$24.9m	-81%
	Excluding Merger & Caret Related Costs and Non-Recurring Gains[1]	$26.3m	$24.9m	6%
Earnings Per Share	GAAP	$0.07	$0.42	-82%
	Excluding Merger & Caret Related Costs and Non-Recurring Gains[1]	$0.41	$0.42	-2%

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) 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.

Portfolio Yields

(Current Portfolio Gross Book Value: $5,967m on 93-Year W.A. Lease Term w/ Ext.)[1]

3.4%

Annualized Cash Yield
($199m Annualized In-Place Cash Rent)

5.7%

Inflation Adjusted Yield[2]
Based on current 2.26% FRED Breakeven Inflation Rate[3]

5.2%

Annualized Yield
($308m Annualized In-Place Net Rent)

7.2%

Illustrative Caret Adjusted Yield
Initial cash outlay (i.e. Safehold's basis) reduced by ~$1.6b (~82% of Caret valuation based on most recent commitment[4])

Note: Refer to the Glossary in the Appendix for yield calculations and additional details. Does not include Star Holdings Loan, GL Plus Fund and Leasehold Loan Fund.

(1) Does not include $238m of forward commitments, $115m Star Holdings Loan and $61m GL Plus Fund and Leasehold Loan Fund.

(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.

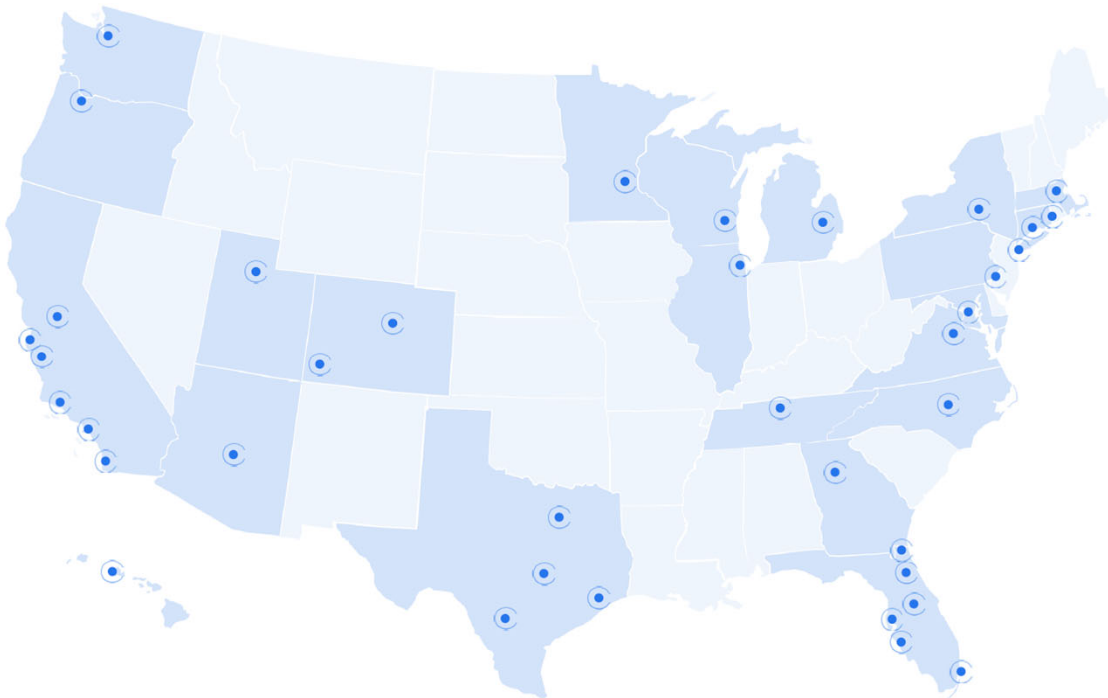
(3) Federal Reserve Bank of St. Louis, 30-year Breakeven Inflation Rate, retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/T30YIEM, April 25, 2023.

(4) 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 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.

Safehold

Portfolio Diversification

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



Top 10 Markets (% of GBV)

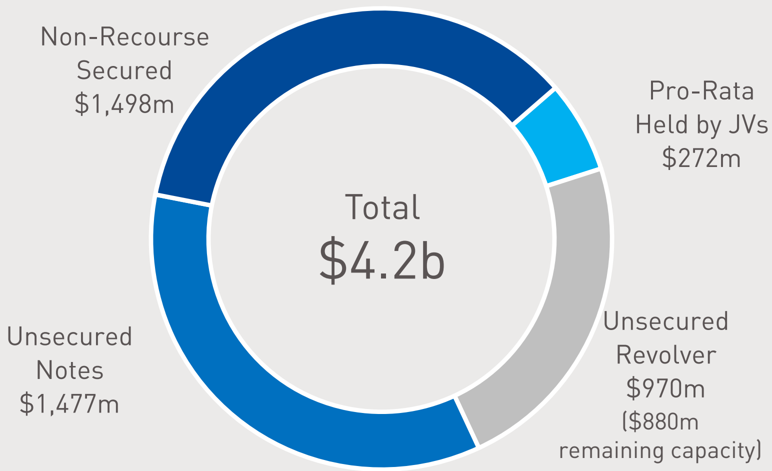
1. **Manhattan (24%)**[1] – 10 Assets
2. **Washington D.C. (11%)** – 17 Assets
3. **Boston (7%)** – 3 Assets
4. **Los Angeles (7%)** – 7 Assets
5. **San Francisco (5%)** – 5 Assets
6. **Denver (4%)** – 6 Assets
7. **Nashville (4%)** – 5 Assets
8. **Honolulu (4%)** – 2 Assets
9. **Miami (3%)** – 6 Assets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

Portfolio by Count								
	Northeast	**West**	**Mid Atlantic**	**Southeast**	**Southwest**	**Central**	**Total**	**Property Type by GBV**
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**	**4%**
Total	**22**	**37**	**22**	**30**	**14**	**6**	**131**	**100%**

Note: Based on current Portfolio Gross Book Value of $6.0b, which excludes $238m of forward commitments, $115m Star Holdings Loan and $61m GL Plus Fund and Leasehold Loan Fund.
(1) Total New York MSA including areas outside of Manhattan makes up 29% of GBV (17 assets).

Capital Structure

Debt Overview



23 year w.a. maturity[1]

No corporate maturities due until 2026 (Revolver)

Debt Activity & Metrics

$500m — **Incremental Unsecured Revolver Raised** ($1.85b total revolving credit facilities)

Moody's	Fitch
Baa1	BBB+
(Positive Outlook)	**(Positive Outlook)**

Debt and Liquidity Metrics	Q1'23
Total debt	$4,217m
Total book equity	$2,179m
Equity market cap[2]	$1,802m
Total debt / book equity	**1.9x**
Total debt / equity market cap	**2.3x**
Unencumbered assets	$3,553m
Cash & credit facility availability	$900m

Interest Rates and Spreads[1,3]	Q1'23
Annualized Yield	5.2%
Effective Interest Rate	3.8%
Effective Spread	**133 bps**
Annualized Cash Yield	3.4%
Cash Interest Rate	3.3%
Cash Spread	**16 bps**

(1) Includes JV debt and excludes outstanding borrowings under the Company's unsecured revolving credit facilities.
(2) Based on SAFE closing share price of $28.18 on April 25, 2023.
(3) Represents yields on Safehold's ground leases. Does not include Star Holdings Loan, GL Plus Fund and Leasehold Loan Fund.

Caret Updates

Investment Rounds

- Series A Round: In Q1'22, 6 investors purchased or committed to purchase 1.37% of the then-authorized units for an aggregate $24.0m at a $1.75b valuation[1]
- Series B Round: In Q3'22, MSD Partners committed to purchase 1.0% of the then-authorized units for an aggregate $20.0m at a $2.0b valuation[2]. Purchase closed on 3/31/23 in connection with the merger
    - 3 participants from Series A Round committed under same terms as MSD with no redemption feature for an aggregate $4.5m

Amendments Promote Alignment and Provide Clarity

- Safehold is required to own minimum 51% of units
- Authorized units increased from 10m to 12m
- Clear separation of 'bond economics' and 'capital appreciation economics'
- Senior management has re-vested 25% of their current vested Caret units

Note: Ownership percentage is based on outstanding Caret units.

(1) Includes redemption option. 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.

(2) Does not include redemption option. For more information, please see press release from August 11, 2022: https://ir.safeholdinc.com/news-releases/news-release-details/safehold-and-istar-announce-business-combination.

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.

Safehold

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.

Safehold

Caret Timeline

2H'18:
Formed a subsidiary called "Caret" designed to help recognize the value of the capital appreciation above Cost Basis. Employee performance-based incentive plan created

May'19:
Management incentive plan[1] approved by shareholders, requiring management to deliver significant share price appreciation

100+
Assets[2]

Feb'22:
Outside investors participate in Series A round[3]

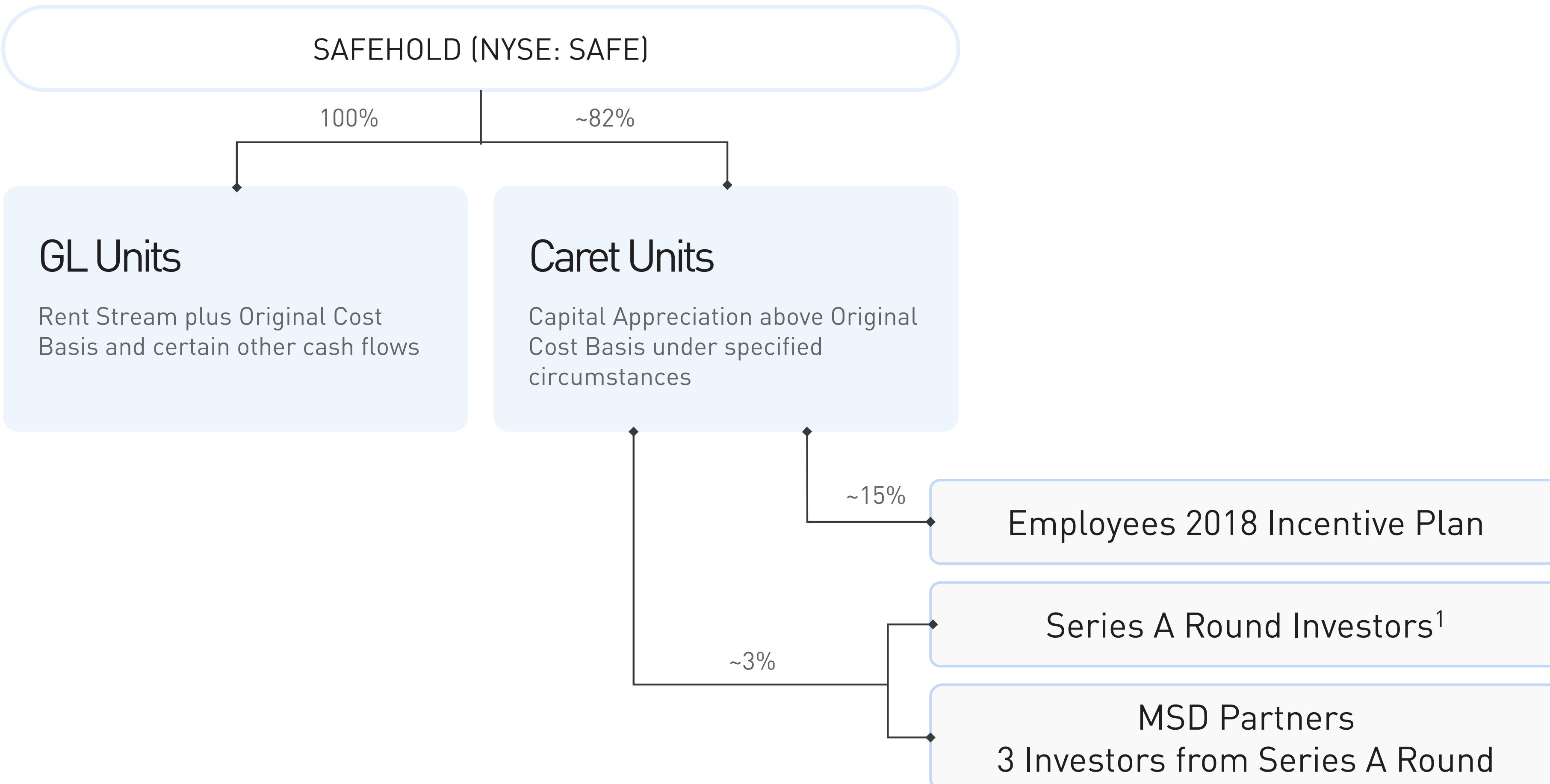
Aug'22:
MSD Partners commitment to Series B round

Nov'22:
3 participants from Series A round committed under same terms and timing as MSD

+$8.4b
UCA[4]

(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 Q1'23.

Caret Ownership



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

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.

APPENDIX

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 (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.
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.