



INVESTOR PRESENTATION

March 2021

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. 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: the effect of the COVID-19 pandemic on our business and growth prospects and on our tenants’ business; market demand for ground lease capital; the Company’s ability to source new ground lease investments; the availability of funds to complete 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, 2020, 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.

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 Ground Rent Coverage and UCA as of December 31, 2020 are likely 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 Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC for a more fulsome discussion of our annual results, including the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Risk Factors” sections included therein.

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

Information in this presentation is as of December 31, 2020, unless otherwise indicated.

Investor Relations Contact

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Executive Summary

Strong Financial Performance

- ❑ Strong Revenue and EPS Growth
 - ❑ #1 Performing Nareit Member Stock in 2019 and in 2020
 - ❑ 100% Ground Lease Rent Paid During Covid
-

Strong Customer Growth

- ❑ Creating New Mainstream Capital Solution for \$7 Trillion CRE Market
 - ❑ Continuing Innovation with Multiple Engines for Potential Growth
 - ❑ Access to Accretive Debt & Equity Capital
-

Significant Value Potential

- ❑ Long-term Contractual Rent Streams at Above Market YTM
- ❑ Fast-growing Unrealized Capital Appreciation (UCA)⁽¹⁾ is Additional Component of Value
- ❑ UCA Has Grown by 1,140% Over 3.5 Years to \$5.5 Billion

Note: Please see the "Important Note re COVID-19" in the front of this presentation for a statement about metrics this quarter.

(1) Refer to the "Unrealized Capital Appreciation Details" slide in the Appendix for additional information.

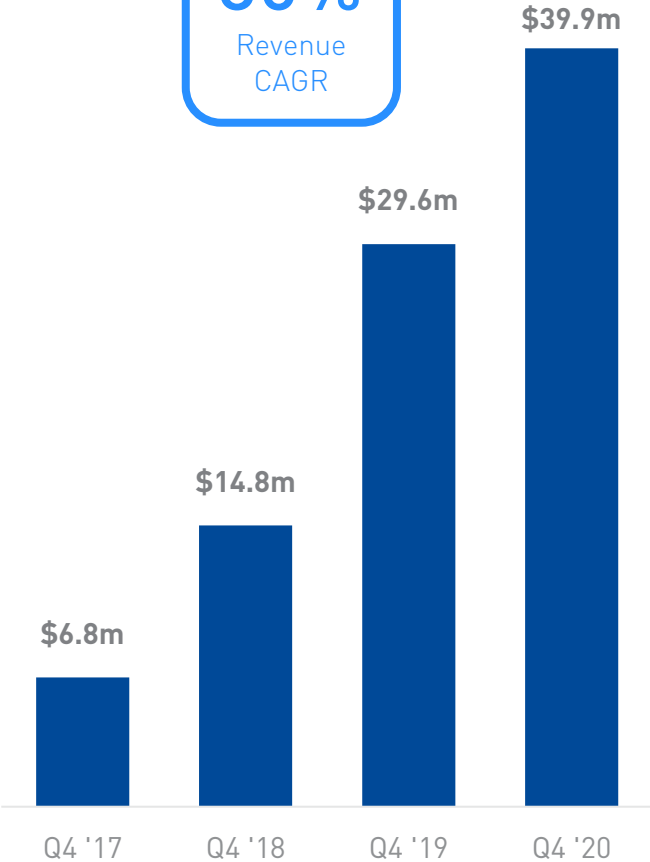


STRONG FINANCIAL PERFORMANCE

Strong Financial Growth

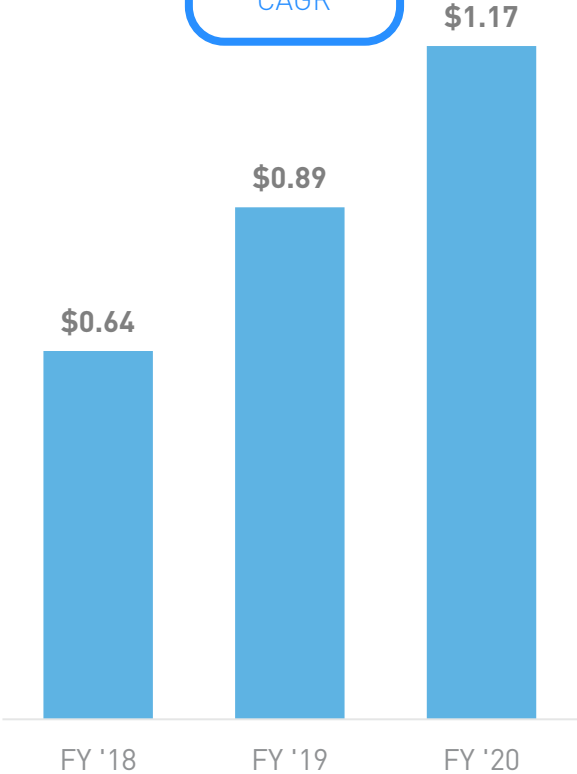
Revenue

80%
Revenue
CAGR

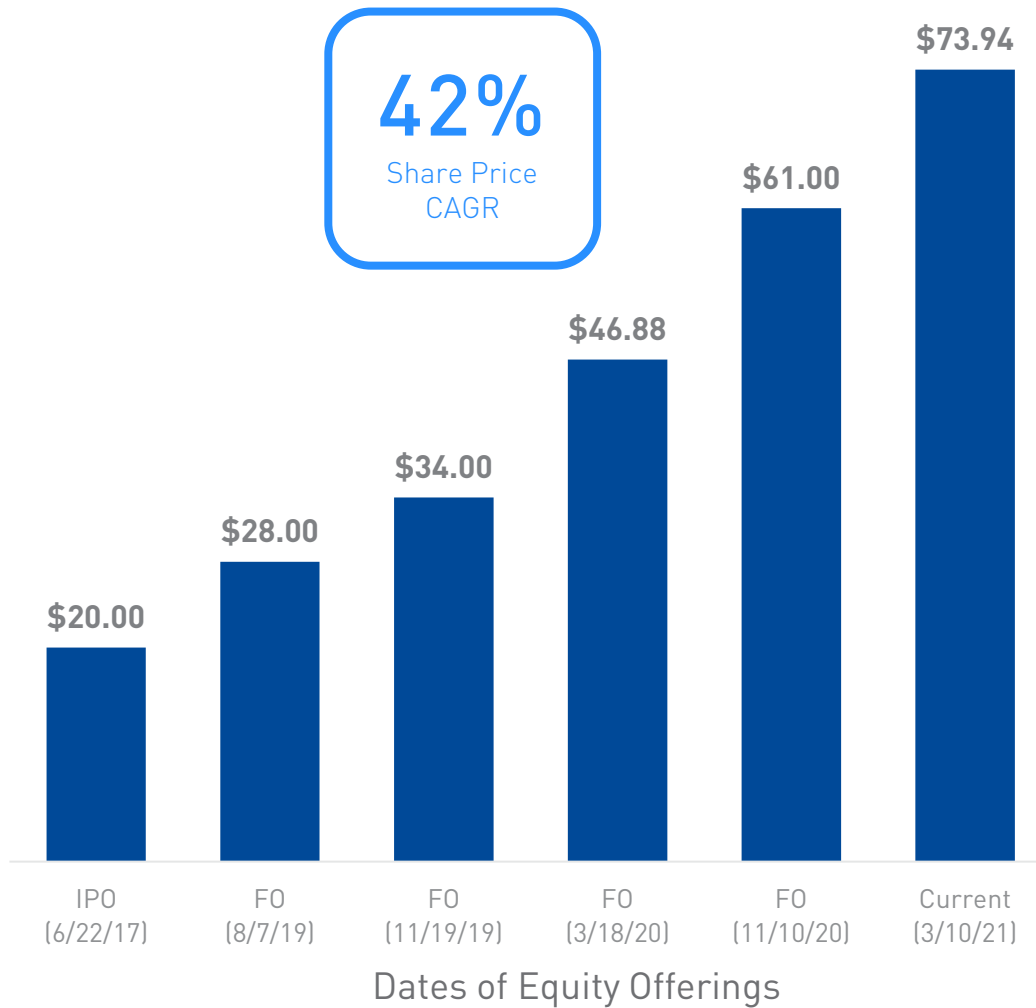


EPS

35%
EPS
CAGR



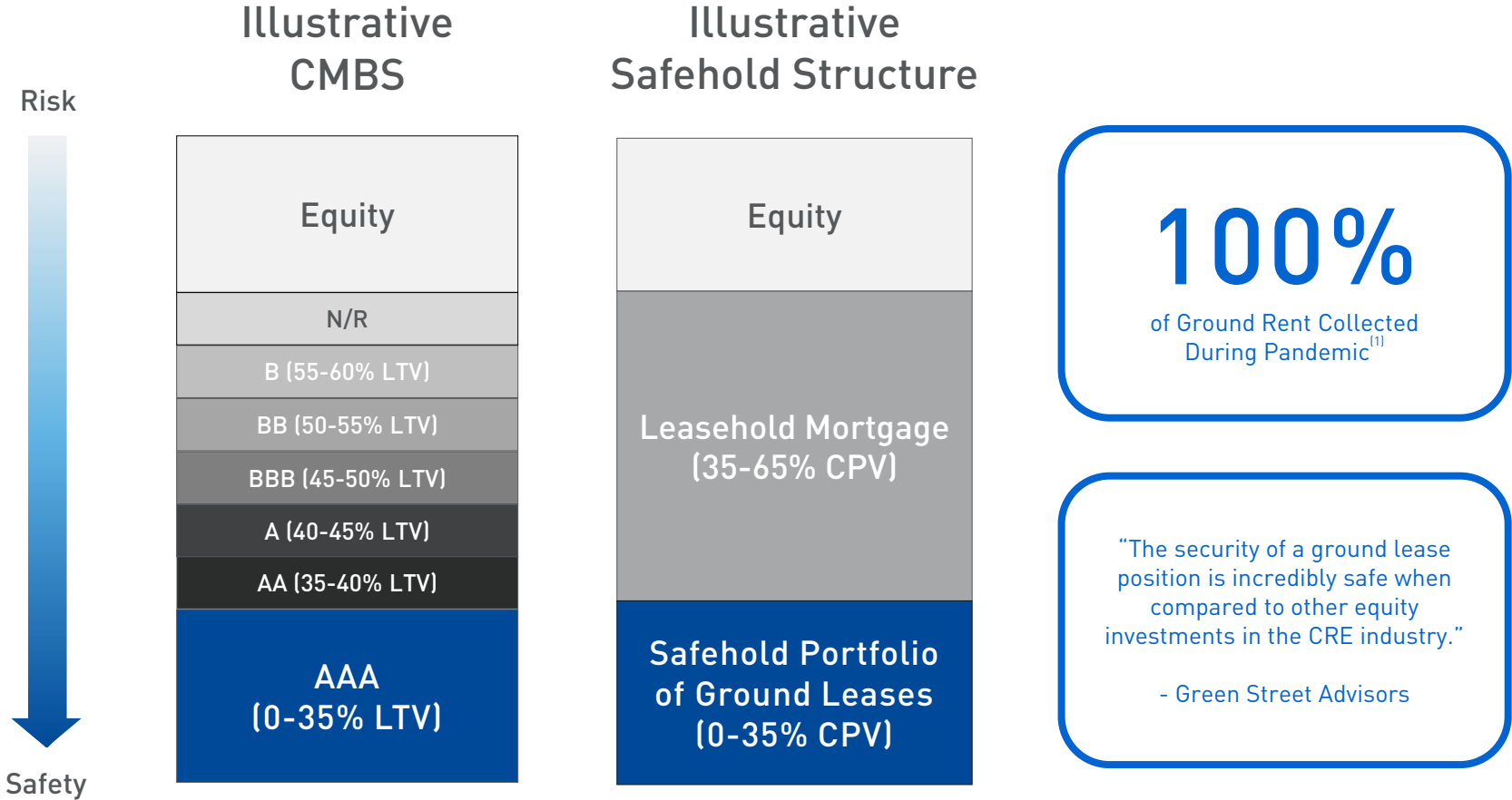
Strong Stock Performance



#1
Performing Nareit
Member Stock in 2019 & 2020

Safety During Turbulent Times

Safehold typically has a residual right to regain possession of land and take ownership of the building upon a tenant default, which provides strong incentive for its customers and its customers' lenders to pay rent. In addition, typical Combined Property Value (CPV) significantly exceeds Safehold's cost basis, providing protection against principal loss.



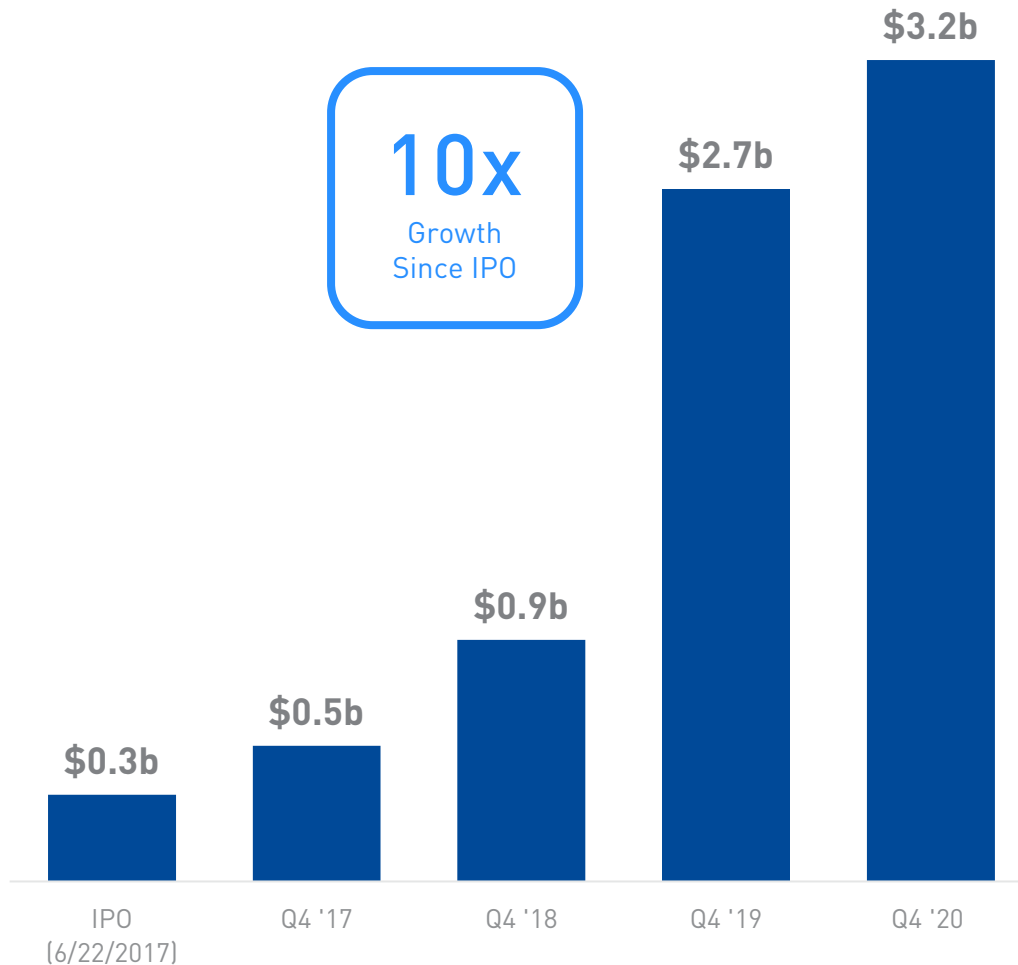
(1) Please see the “Important Note re COVID-19” in the front of this presentation for a statement about metrics this quarter.



**STRONG
CUSTOMER GROWTH**

Strong Portfolio Growth

Safehold Portfolio *(Aggregate Gross Book Value)*



A Better CRE Customer Solution

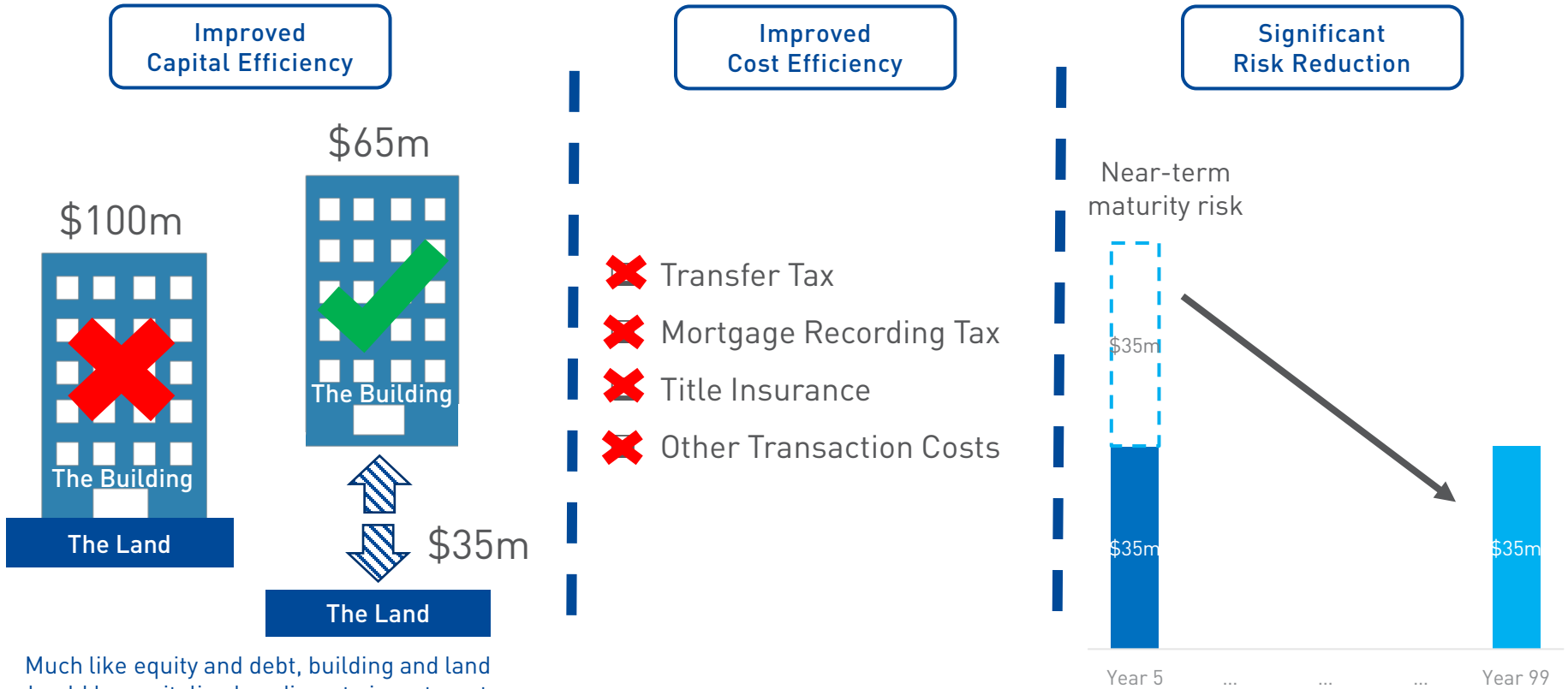
Improved
Capital Efficiency

Improved
Cost Efficiency

Significant
Risk Reduction

Better Capital 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 selling real estate by giving one-third of capital a long-term structure of up to 99 years

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

High Quality Assets Across Top 30 Markets

Seattle - Multifamily



Washington, D.C. - Office



Phoenix - Student Housing



Atlanta - Office



Philadelphia - Multifamily



Los Angeles - Multifamily



The Growth Opportunity Ahead

Innovative Platform

**\$7 Trillion
Market Opportunity**

**Nationally-scaled
Platform**

**Focus on
Top 30 MSAs**

**Innovative New
Products for Growth**

Positioned for Growth in 2021

Baa1

Moody's Awards Investment
Grade Credit Rating

BBB+

Fitch Awards Investment
Grade Credit Rating

\$700m

Purchasing Power⁽¹⁾

\$600m

Total Upsized
Capacity of Revolver⁽²⁾

(1) Assumes our target leverage of 2x debt to equity and calculated using cash and revolving credit facility availability of \$233m without pledging any additional assets under the facility.

(2) Subsequent to the end of the quarter, added new bank to revolving credit facility and upsized by \$42.5m to \$600m.



SIGNIFICANT VALUE POTENTIAL

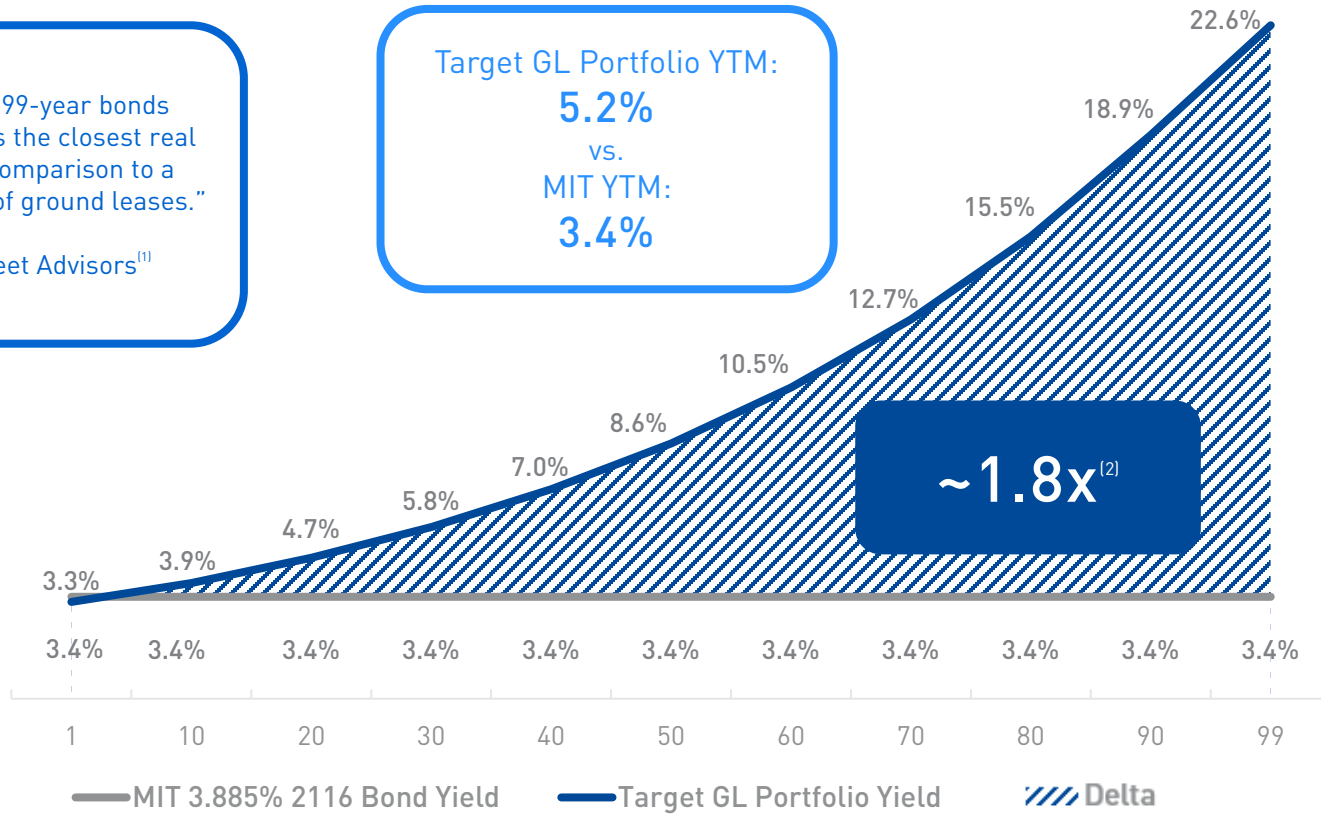
Attractive Returns vs. Bond Comparison

Portfolio with contractual rent increases creates long-term compounding cash flows that generate superior returns versus similar risk and similar maturity fixed income securities

Target Modern Ground Lease Portfolio vs. 100-Year MIT Bond

“High quality 99-year bonds provide perhaps the closest real time pricing comparison to a diversified pool of ground leases.”
- Green Street Advisors⁽¹⁾

Target GL Portfolio YTM: **5.2%**
vs.
MIT YTM: **3.4%**



Note: Illustrative example of a diversified portfolio of modern ground leases that meet Safehold’s investment target with a starting cash yield of 3.25% and 2.0% annual rent growth. Massachusetts Institute of Technology 2116 unsecured AAA-rated bonds trade at a yield to maturity of 3.36% as of 3/10/21.

(1) Comparing a portfolio of ground leases to a high-quality 99-year bond is a shortcut methodology for yield discovery and only indicates a range of reasonable possibilities. The full Green Street methodology examines the pricing for CMBS securities making adjustments for duration, diversification and increasing lease payments.

(2) 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 3.36% as of 3/10/21) 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.

Unrealized Capital Appreciation (UCA)

- ❑ Under the terms of a typical Safehold ground lease, at the end of the lease term, **SAFE will own whatever is on top of the land**
- ❑ Since SAFE will eventually own it, **we track the estimated value** of whatever is on top of our basis across our whole portfolio and report the current estimates every quarter
 - We call this Unrealized Capital Appreciation, or UCA
- ❑ This value, and its **potential to grow significantly over time**, make it a valuable part of Safehold
- ❑ We believe many **investors have overlooked or misunderstood this second component of value**, which SAFE currently estimates is \$5.5 billion⁽¹⁾
- ❑ We believe it is appropriate to value UCA in a similar fashion **to other comparable real estate portfolios**

(1) Please refer to SAFE's Current Report on Form 8-K filed with the SEC on February 11, 2020, which is incorporated herein by reference, for a more detailed explanation and presentation of the estimated UCA of our owned residual portfolio as of December 31, 2020 and the methodology used to calculate it. See also the discussion of certain limitations and qualifications of estimated UCA set forth in that 8-K and the Risk Factors referenced therein, which may be found in our Annual Report on Form 10-K for the year ended December 31, 2020 and our subsequent Quarterly Reports on Form 10-Q.

UCA: The Simple Math

All assets can be valued if you know the starting value,
the growth rate and the discount rate

$$\text{NPV} = \frac{\text{starting value} \times (1 + \text{growth rate})^{\# \text{ of years}}}{(1 + \text{discount rate})^{\# \text{ of years}}}$$

Starting Value = Portfolio Appraisal or Actual Cost

Portfolio Growth Rate = Internal Growth Rate + External Growth Rate

Internal Growth Rate = generally grows with long-term inflation

External Growth Rate = additional growth from origination activity

Discount Rate = Required Rate of Return

UCA: The Simple Math

Starting Value	<i>UCA as of 12/31/20</i>	\$5.5b
# of Years	<i>Typical Safehold™ Ground Lease Term</i>	99 years
Estimated Internal Growth Rate	<i>Assumed growth in-line with long-term inflation</i>	2%
Estimated External Growth Rate	<i>Minimum necessary to match discount rate</i>	4%
Estimated Discount Rate	<i>Green Street estimated required rate of return on institutional quality commercial real estate</i>	6%

Note: These values represent estimated inputs to the NPV formula. Changing these assumptions will result in a wide range of NPVs.

$$NPV = \frac{\text{starting value} \times (1 + \text{internal growth rate} + \text{external growth rate})^{\# \text{ of years}}}{(1 + \text{discount rate})^{\# \text{ of years}}}$$

portfolio growth rate

Illustrative NPV outputs based on different growth rates and discount rates.

		External Growth Rate			
		2%	3%	4%	5%
Discount Rates	7%	\$0.3b	\$0.8b	\$2.2b	\$5.5b
	6%	\$0.8b	\$2.2b	\$5.5b	\$13.9b
	5%	\$2.1b	\$5.5b	\$14.1b	

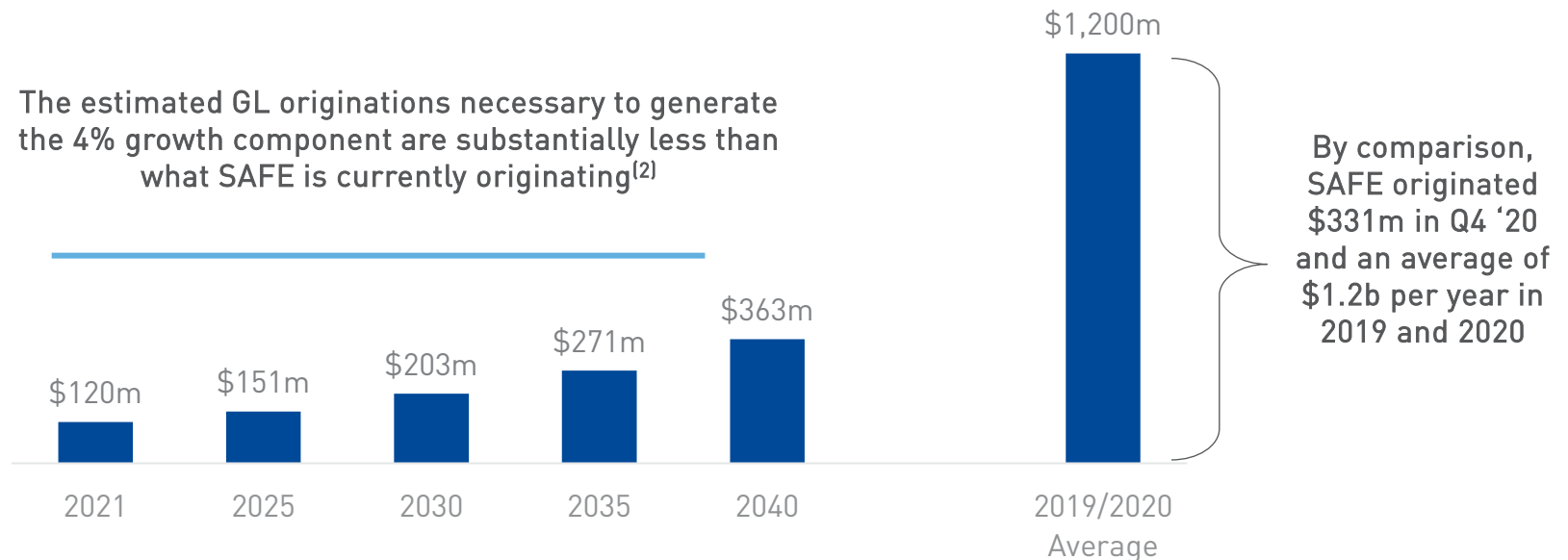
How Much Do We Need to Grow?

Assuming a discount rate of 6%:

- ❑ If UCA grows at 2% per year⁽¹⁾, it would be growing slower than the assumed discount rate and so its NPV would be well below today's value
- ❑ If UCA grows at 6% per year⁽¹⁾, it would be growing at the same rate as the assumed discount rate and its NPV would equal today's value
- ❑ If UCA grows at 10% per year⁽¹⁾, it would be growing faster than the assumed discount rate and so its NPV would be well above today's value

Assuming internal growth rate equal an estimated inflation rate of 2%:

- ❑ To grow at 6%, UCA must also increase from new origination of GLs at Safehold by 4%

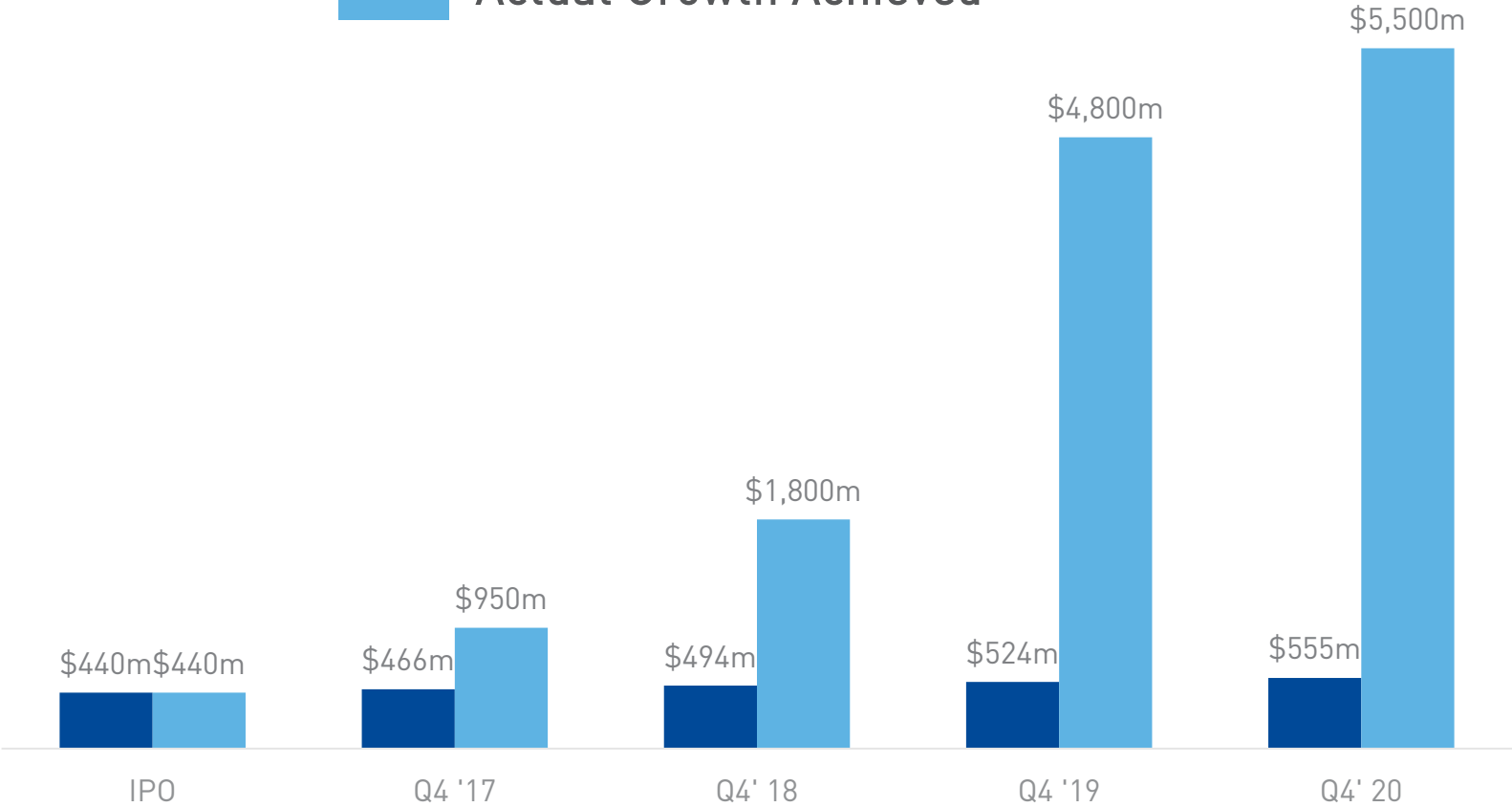


(1) Calculation is based on these growth rates in perpetuity.

(2) Based on assumption that new ground lease originations have an average GLTV of 37.5%.

UCA: Historical Perspective (2017 – 2020)

■ 6% Growth Model
vs.
■ Actual Growth Achieved



Current UCA Portfolio

104%
UCA Portfolio CAGR



IPO
\$0.4b

Q2 '19
\$2.2b

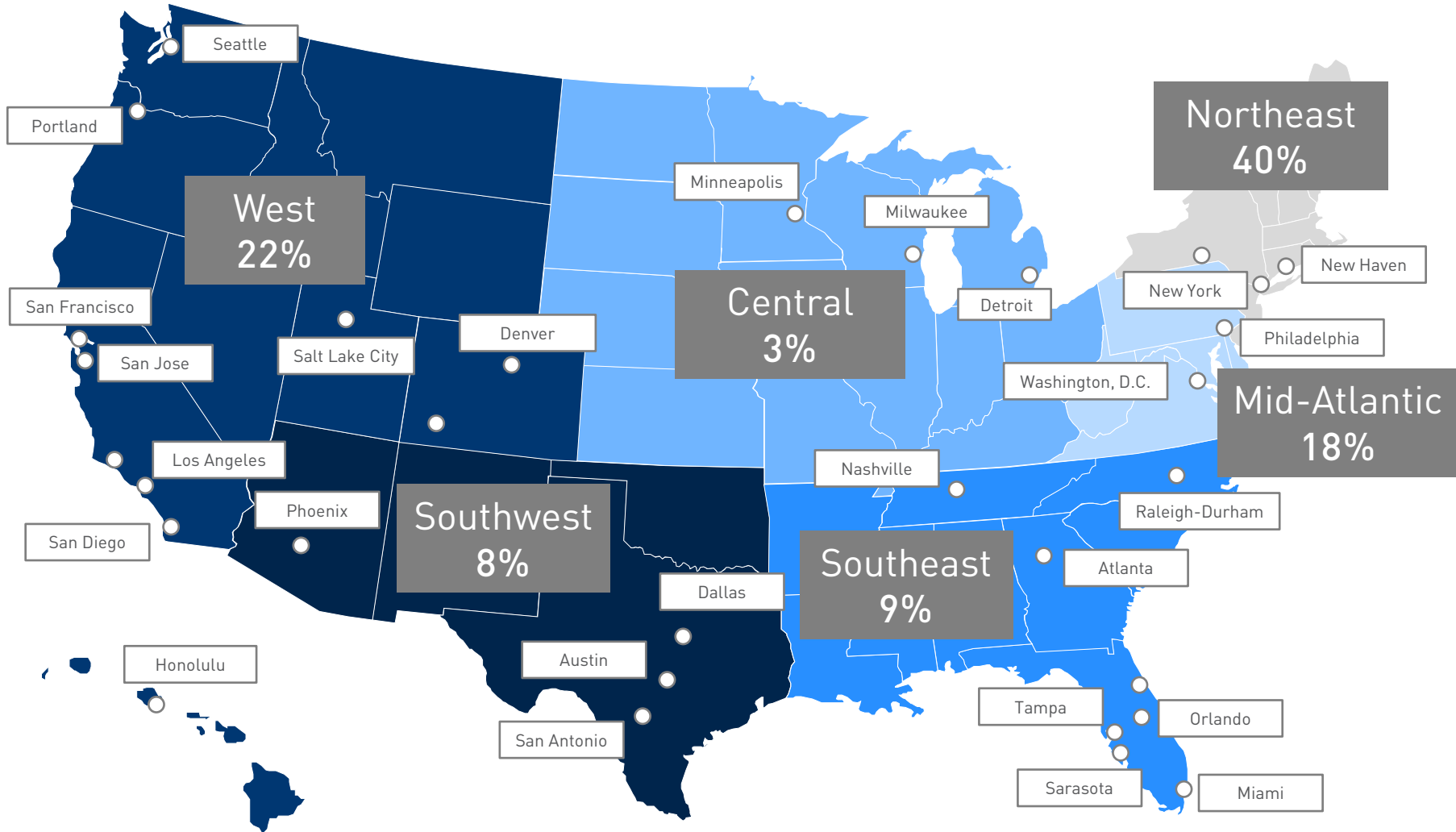
Current
\$5.5b

Note: Images show current pictures of certain buildings on land owned by SAFE that is leased to tenants. Under the terms of a typical Ground Lease, title to any then-existing improvements on the land reverts to SAFE at the end of the lease term.

APPENDIX

Geographic Breakdown

(Current Portfolio Gross Book Value: \$3,201m)



Capital Structure

\$4.3b

Equity
Market Cap⁽¹⁾

\$1.4b

Book Equity

\$1.7b

Total Debt⁽²⁾

- ☐ \$233m cash and revolving credit facility availability
- ☐ \$700m purchasing power (*assuming 2x leverage*)
- ☐ 0.4x debt / equity market cap⁽¹⁾

- ☐ ~140 bps accretive spread
 - 5.4% w.a. Annualized Yield of portfolio
 - 4.0% w.a. Effective Interest Rate
- ☐ 3.1% w.a. Cash Interest Rate⁽³⁾
- ☐ 31 years w.a. maturity
- ☐ In Q4, added new bank to revolving credit facility and upsized by \$32.5m
- ☐ Subsequent to the end of the quarter, added new bank to revolving credit facility and upsized by \$42.5m to \$600m

(1) Market cap calculated as of 2/22/21 with a share price of \$81.69.

(2) Includes \$0.2b of debt, which represents Safehold's pro-rata share of debt associated with non-consolidated joint ventures (equity method investments). Excludes the revolving credit facility, which had a \$0.2b outstanding balance at December 31, 2020.

(3) Portfolio generates a 3.5% w.a. Annualized Cash Yield or ~40bps positive cash spread.

Income Statements

	For the three months ended Dec 31,		For the twelve months ended Dec 31,	
	2020	2019	2020	2019
Revenues:				
Operating lease income	\$17,252	\$17,227	\$72,340	\$72,071
Interest income from sales-type leases	22,529	11,697	81,844	18,531
Other income	128	662	1,243	2,794
Total revenues	\$39,909	\$29,586	\$155,427	\$93,396
Costs and expenses:				
Interest expense	\$16,543	\$11,653	\$64,354	\$29,868
Real estate expense	653	590	2,480	2,673
Depreciation and amortization	2,369	2,348	9,433	9,379
General and administrative	5,809	3,883	22,733	14,435
Other expense	49	300	243	899
Total costs and expenses	\$25,423	\$18,774	\$99,243	\$57,254
Income from operations before other items	\$14,486	\$10,812	\$56,184	\$36,142
Loss on early extinguishment of debt	-	-	-	(2,011)
Earnings (losses) from equity method investments	832	356	3,304	(403)
Net income	\$15,318	\$11,168	\$59,488	\$33,728
Net (income) attributable to non-controlling interests	(48)	(49)	(194)	(6,035)
Net income attributable to Safehold Inc. and allocable to common shareholders	\$15,270	\$11,119	\$59,294	\$27,693
Weighted avg. share count (basic)	52,264	43,651	50,688	31,008
Weighted avg. share count (diluted)	52,275	43,651	50,697	31,008
Earnings per share (basic & diluted)	\$0.29	\$0.25	\$1.17	\$0.89

Note: Figures in thousands except for share amounts.

Balance Sheets

	December 31, 2020	December 31, 2019
Assets:		
Real estate:		
Real estate, at cost	\$752,420	\$687,902
Less: accumulated depreciation	(22,314)	(16,286)
Real estate, net	\$730,106	\$671,616
Real estate-related intangibles assets, net	242,166	242,837
Total real estate, net and real estate-related intangible assets, net	\$972,272	\$914,453
Net investment in sales-type leases	1,305,519	984,598
Ground Lease receivables, net	577,457	397,087
Equity investments in Ground Leases	129,614	127,524
Cash and cash equivalents	56,948	22,704
Restricted cash	39,519	24,078
Deferred operating lease income receivable	93,307	58,303
Deferred expenses and other assets, net	34,334	37,814
Total assets	\$3,208,970	\$2,566,561
Liabilities:		
Accounts payable, accrued expenses, and other liabilities	\$76,673	\$43,008
Real estate-related intangible liabilities, net	66,268	57,333
Debt obligations, net	1,684,726	1,372,922
Total liabilities	\$1,827,667	\$1,473,263
Equity:		
Safehold Inc. shareholders' equity:		
Common stock	\$532	\$478
Additional paid-in capital	1,412,107	1,132,603
Retained earnings (accumulated deficit)	23,945	(2,146)
Accumulated other comprehensive loss	(57,461)	(39,123)
Total Safehold Inc. shareholders' equity	\$1,379,123	\$1,091,812
Noncontrolling interests	\$2,180	\$1,486
Total equity	\$1,381,303	\$1,093,298
Total liabilities and equity	\$3,208,970	\$2,566,561

Portfolio Reconciliation

	IPO (6/22/17)	12/31/17	12/31/18	12/31/19	12/31/20
Net investment in Sales-Type Leases	-	-	-	\$985	\$1,306
Ground Lease receivables, net	-	-	-	\$397	\$577
Pro-rata interest in Sales-Type Leases held as equity method investments	-	-	-	\$340	\$345
Real estate, net (Operating Leases)	\$265	\$409	\$660	\$672	\$730
Add: Accumulated depreciation	1	4	10	16	22
Add: Lease intangible assets, net	123	139	263	243	242
Add: Accumulated amortization	1	3	9	16	23
Add: Other assets	-	-	-	24	23
Less: Lease intangible liabilities, net	(51)	(58)	(58)	(57)	(66)
Less: Non-controlling interest	-	-	(2)	(2)	(2)
Gross Book Value	\$339	\$497	\$883	\$2,634	\$3,201
Unfunded Commitments	-	34	64	81	19
Aggregate Gross Book Value	\$339	\$531	\$947	\$2,715	\$3,219
Less: Accruals to net investment in leases and ground lease receivables	-	-	-	(7)	(42)
Aggregate Cost Basis	\$339	\$531	\$947	\$2,708	\$3,177

Note: \$ in millions. Figures in the reconciliation table may not foot due to rounding.

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 appraisals 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 appraised. For unfunded commitments on construction deals, CPV represents the cost to build inclusive of the ground lease. For a Ground Lease in our portfolio, CBRE estimates its CPV by determining a hypothetical value of the as-improved subject property as of the date of the report, based on an assumed ownership structure different from the actual ownership structure. At our request, CBRE’s analysis 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 the full impact of the COVID-19 pandemic 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 February 11, 2021 and “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020, as updated from time to time in our subsequent periodic reports, filed with the SEC.

The Company formed a wholly-owned subsidiary called “CARET” that is structured to track and capture UCA to the extent UCA is realized upon expiration of our ground leases, sale of our land and ground leases or other certain events. Under a shareholder-approved plan, management has the right to participate in up to 15% of UCA under certain circumstances, subject to time-based vesting. See the Company’s 2019 proxy statement for additional information on the long-term incentive plan.

Appendix

Glossary

Aggregate Cost Basis	Represents Cost Basis plus unfunded commitments. For unfunded commitments, it represents the aggregate future amount to be paid under the commitments.
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.
Annualized Cash Yield	Calculated as the annualized base Cash Rent plus Percentage Rent divided by Gross Book Value.
Annualized Yield	Calculated as the annualized base GAAP Rent, Net plus Percentage Rent divided by Gross Book Value.
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.
Cost Basis	Represents the historical purchase price of an asset, including capitalized acquisition costs.
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. In relation to unfunded 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 unfunded commitments.
Effective Yield	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.
Effective Interest Rate	Represents the all-in stated interest rate over the term of debt based on the contractual future payments owed excluding the effect of debt premium, discount and deferred financing costs.
GAAP Rent	Current quarter revenue from operating and sales-type leases recognized by GAAP.
GAAP Rent, Net	GAAP Rent less depreciation & amortization. This includes the amortization of a right of use asset recorded as real estate expense (totals \$1.4m annualized). Includes our proportionate share of amortization from our equity method investment.
Gross Book Value (GBV)	Represents Cost Basis plus accrued interest on sales-type leases.
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.
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 of ground lease assets.
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 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.
Underwritten Effective Yield	The Effective Yield of a ground lease using our underwriting assumptions. This includes estimated land value, revenue, and CPI grow by no more than 2%.
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.