



Safety, Income & Growth Inc.
The Ground Lease Company

Corporate Presentation

October 2018

(NYSE: SAFE)

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 initial 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, and refinancing and interest rate risks); 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 as amended for the year ended December 31, 2017 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.

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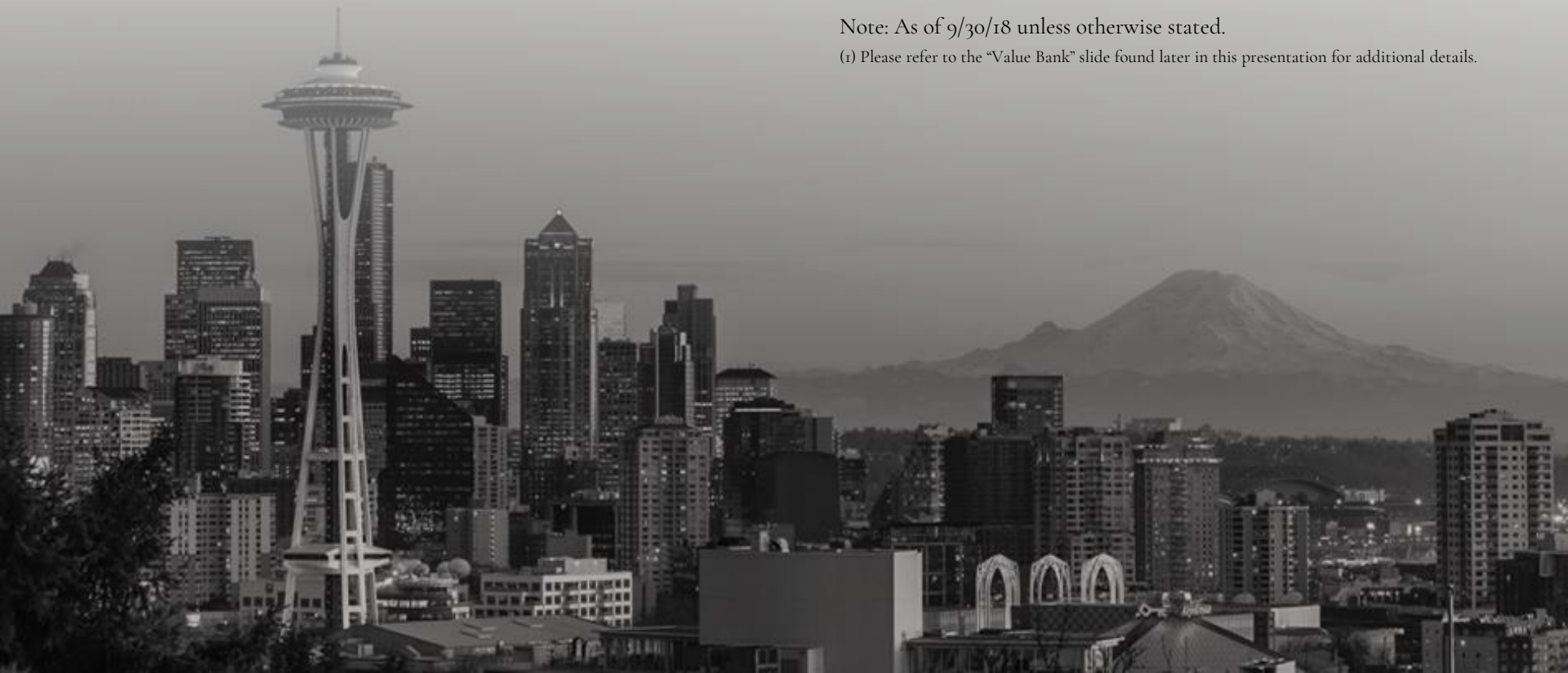
Corporate Snapshot

NYSE Ticker	SAFE
Share Price (10/30/18)	\$17.51
Book Value / Share	\$20.00
Dividend Yield (10/30/18)	3.4%

Total Assets	\$751M
Total Liabilities	\$381M
Total Equity	\$370M
Market Cap (10/30/18)	\$319M
Value Bank ⁽¹⁾	\$1,576M

Note: As of 9/30/18 unless otherwise stated.

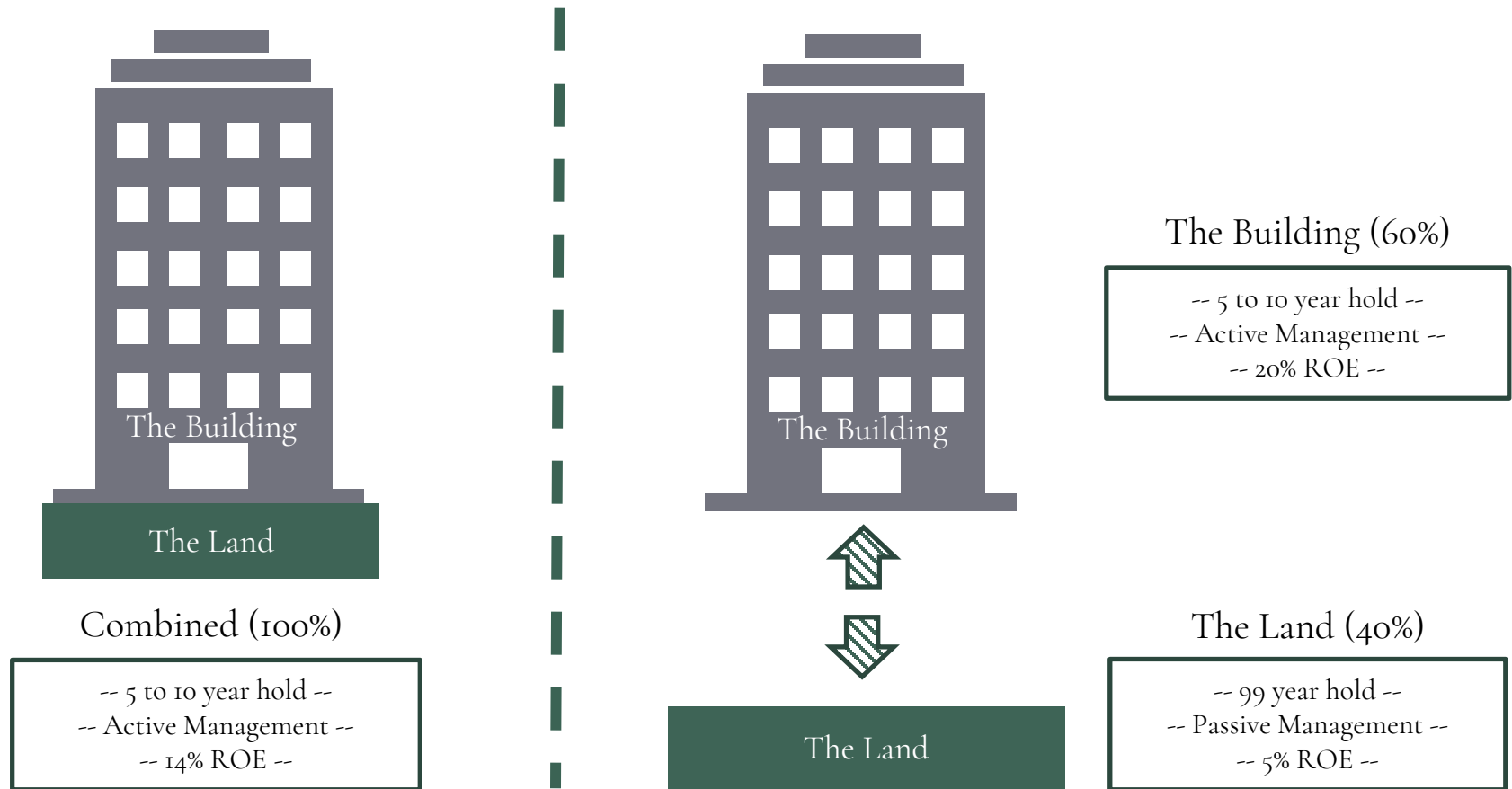
(1) Please refer to the "Value Bank" slide found later in this presentation for additional details.



Q: Why is this the Next Big Thing?

A: Making Real Estate Ownership More Efficient

Problem: Property investors have historically had to buy two different investments that do not belong together



Q: How do you Separate the Land from the Building?

A: We Use Ground Leases

A ground lease generally represents ownership of the land underlying a commercial real estate property which is triple net leased on a long-term basis by the Landlord (SAFE) to a Tenant that owns and operates the building.

The Structure:

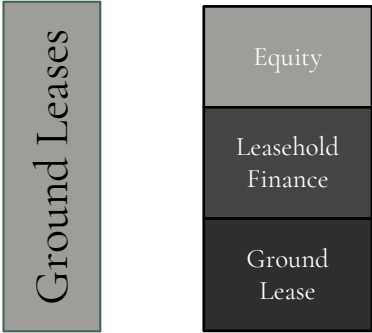
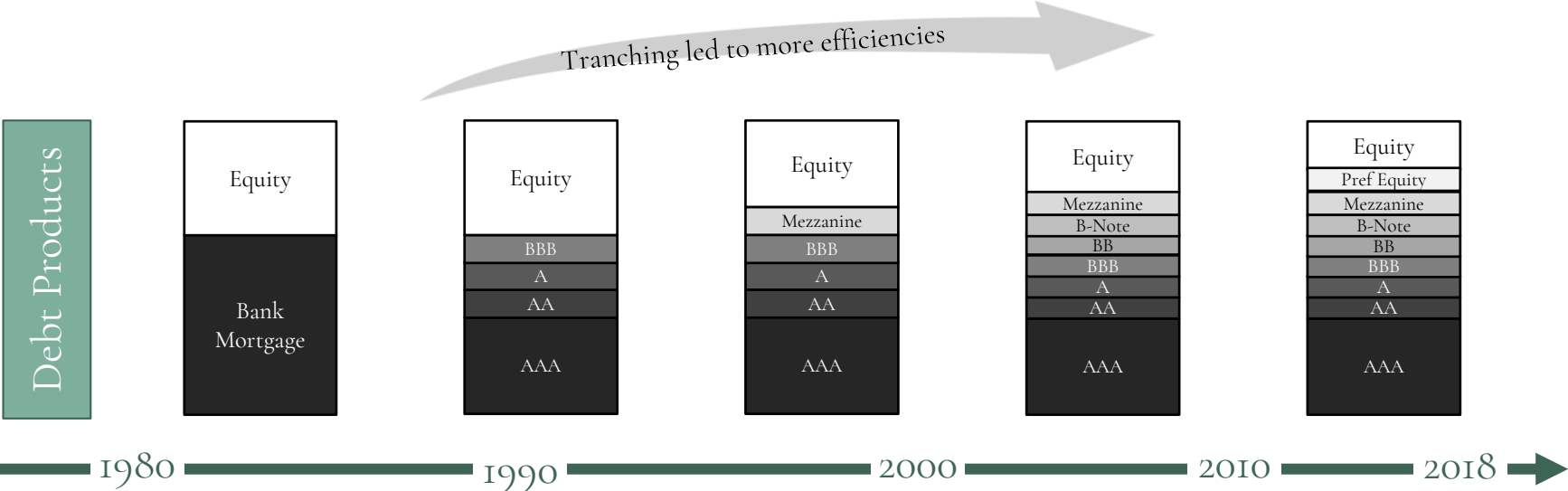
- 1 **Tenant** - receives beneficial ownership of property during lease term. Responsible for all operating costs and improvements.
- 2 **Landlord (SAFE)** - collects ground rent payments during the lease term. At lease expiration, or upon a Tenant default, the land and building, including all improvements, revert back to SAFE.



Q: Why Does this Opportunity Exist?

A: Traditional Ground Leases are Outdated, Don't Work

- While debt products over the years have become increasingly tranching to more efficiently connect varying risk-reward levels, ground leases have not evolved in the same manner



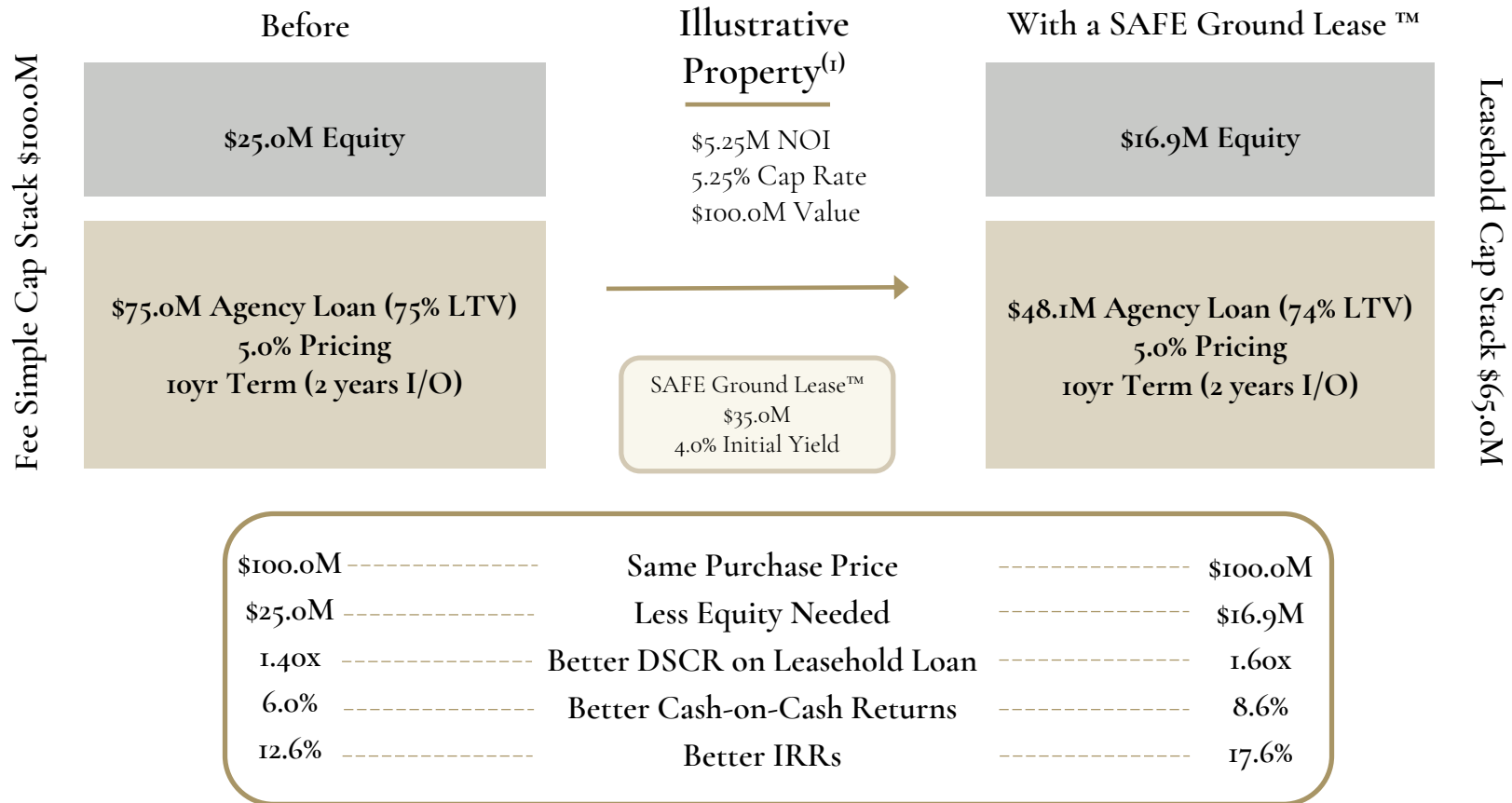
Ground leases have remained stagnant, with no institutional platforms focused on customer needs and innovation



The SAFE Ground Lease™

How a SAFE Ground Lease™ Maximizes Returns for Property Owners

The Power of a SAFE Ground Lease™



(i) This is an illustrative example based on SAFE's general experience to date. Does not represent specific SAFE assets. Returns shown are illustrative returns to the property owner, not SAFE.

3 Key Investment Attributes of a SAFE Ground Lease™

1

Safety

- Senior position in capital structure
- Senior priority of rent payment

2

Income

- Contractual rent escalators increase income over time
- Rent bumps are amplified with leverage
- Inflation-hedging components

3

Growth

- Growing rent stream and reversion rights at lease expiration provide opportunity for significant capital appreciation
- Property values expected to compound in value over life of ground lease

Value of Portfolio Rents

Methodology⁽¹⁾

Step I Sum all rents to be received in each of the next 30 years in the entire portfolio.

Step II Discount each rent payment to be received by the applicable term discount rate published each month by the U.S. Treasury using the High Quality Market (HQM) index plus year 30's rent capped at going in cap rate. HQM is based on a diversified pool of bonds rated "A" through "AAA".

Step III Sum PV of all payments to get Present Value of Portfolio Rent.

U.S. Treasury High Quality Market Yield Curve (HQM)



U.S. DEPARTMENT OF THE TREASURY

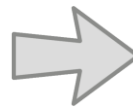
The Treasury High Quality Market (HQM) Corporate Bond Yield Curve
Monthly Average Spot Rates, Percent

	4/30/2017	5/31/2017	6/30/2017	7/31/2017	8/31/2017	9/30/2017	10/31/2017	11/30/2017	12/31/2017	1/31/2018	2/28/2018	3/31/2018	4/30/2018	5/31/2018	6/30/2018
0.5	1.28	1.29	1.39	1.41	1.44	1.46	1.50	1.67	1.83	1.97	2.13	2.37	2.43	2.44	2.53
1.0	1.47	1.49	1.56	1.56	1.56	1.59	1.66	1.83	1.98	2.12	2.31	2.53	2.60	2.63	2.72
1.5	1.65	1.67	1.71	1.70	1.67	1.72	1.80	1.97	2.12	2.25	2.47	2.68	2.75	2.81	2.89
2.0	1.80	1.83	1.84	1.83	1.78	1.83	1.93	2.09	2.23	2.38	2.62	2.81	2.89	2.95	3.03
2.5	1.94	1.96	1.95	1.94	1.88	1.93	2.04	2.19	2.33	2.48	2.73	2.92	3.00	3.09	3.15
3.0	2.06	2.07	2.04	2.05	1.98	2.03	2.13	2.28	2.41	2.57	2.83	3.01	3.09	3.20	3.24
3.5	2.17	2.17	2.13	2.15	2.09	2.12	2.22	2.37	2.49	2.65	2.91	3.10	3.17	3.29	3.31
4.0	2.28	2.27	2.22	2.26	2.19	2.22	2.32	2.45	2.56	2.73	2.99	3.17	3.25	3.37	3.38
4.5	2.40	2.38	2.32	2.36	2.29	2.32	2.41	2.53	2.64	2.80	3.07	3.24	3.32	3.45	3.45
5.0	2.51	2.49	2.42	2.47	2.40	2.42	2.51	2.61	2.71	2.88	3.15	3.31	3.39	3.52	3.52
5.5	2.63	2.60	2.52	2.58	2.51	2.53	2.61	2.70	2.79	2.95	3.23	3.38	3.46	3.59	3.59
6.0	2.74	2.72	2.63	2.70	2.62	2.63	2.71	2.79	2.86	3.03	3.31	3.45	3.53	3.66	3.65
6.5	2.86	2.84	2.74	2.81	2.73	2.74	2.82	2.87	2.94	3.10	3.39	3.51	3.59	3.73	3.72
7.0	2.98	2.95	2.84	2.92	2.83	2.85	2.92	2.96	3.02	3.17	3.46	3.57	3.65	3.79	3.78
7.5	3.09	3.07	2.95	3.03	2.94	2.95	3.02	3.05	3.09	3.24	3.54	3.63	3.71	3.85	3.84
8.0	3.20	3.18	3.05	3.13	3.04	3.05	3.12	3.13	3.17	3.31	3.61	3.69	3.77	3.91	3.90
8.5	3.30	3.29	3.15	3.23	3.13	3.14	3.21	3.21	3.24	3.37	3.67	3.75	3.82	3.96	3.96
9.0	3.40	3.39	3.25	3.32	3.22	3.24	3.30	3.28	3.30	3.43	3.74	3.80	3.87	4.01	4.01
9.5	3.50	3.48	3.33	3.41	3.31	3.32	3.38	3.35	3.36	3.49	3.80	3.84	3.91	4.06	4.06
10.0	3.58	3.57	3.42	3.49	3.39	3.40	3.45	3.42	3.42	3.54	3.85	3.89	3.96	4.10	4.11
10.5	3.66	3.65	3.49	3.56	3.46	3.47	3.52	3.48	3.47	3.59	3.90	3.93	3.99	4.14	4.15
11.0	3.74	3.73	3.56	3.63	3.53	3.54	3.59	3.53	3.52	3.63	3.94	3.97	4.03	4.18	4.19

Historical Cost

Current Ground Lease Basis (9/30/18)

\$706M



PV of Portfolio Rent

PVPR³⁰

\$963M

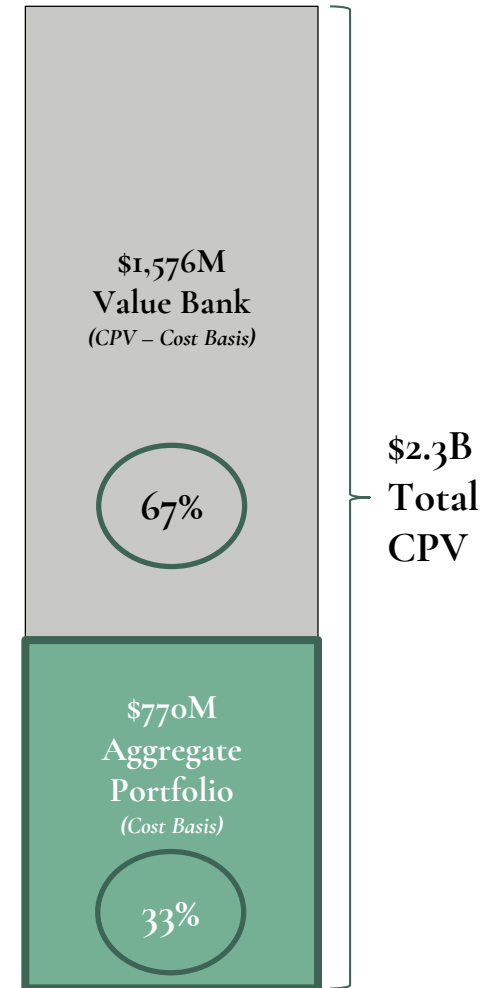
(1) SAFE's ability to receive rent over the scheduled lease term may be limited by the rights of SAFE's tenants under some of its ground leases, including tenant rights to purchase the properties or level properties under certain circumstances. See SAFE's Current Report on Form 8-K with the SEC on October 25, 2018 and "Risk Factors" in SAFE's Annual Report on Form 10-K for the year ended December 31, 2017, as updated from time to time in SAFE's subsequent periodic reports, filed with the SEC, for a further discussion of such tenants rights.

Value Currently \$86 per Share (“Value Bank”)

- Value Bank is calculated as today’s estimated Combined Property Value (CPV) less the Cost Basis of SAFE’s portfolio⁽¹⁾

\$2,346M	Combined Property Value
- \$770M	Aggregate Portfolio (Cost Basis)
<hr/>	
\$1,576M	Value Bank

CBRE conducts independent appraisals of the CPV of each asset⁽²⁾



(1) Our ability to recognize value through reversion rights may be limited by the rights of our tenants under some of our ground leases, including tenant rights to purchase the properties or level properties under certain circumstances. Please refer to our Current Report on Form 8-K filed with the SEC on October 25, 2018 and “Risk Factors” in our Annual Report on Form 10-K as amended for the year ended December 31, 2017, as updated from time to time in our subsequent periodic reports, filed with the SEC, for a further discussion of such tenants rights.

(2) SAFE relies in part on CBRE’s appraisals in calculating Value Bank. 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 8-K filed October 25, 2018 with the SEC for additional detail on CBRE’s valuation and our calculation of Value Bank.