



**Safety, Income & Growth Inc.**  
The Ground Lease Company

Corporate Presentation

August 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 developers, owners and operators of real estate (including life insurance companies, pension funds, high net worth investors, sovereign wealth funds, mortgage REITs, private equity funds and separate accounts); unknown liabilities acquired in connection with real estate; 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, 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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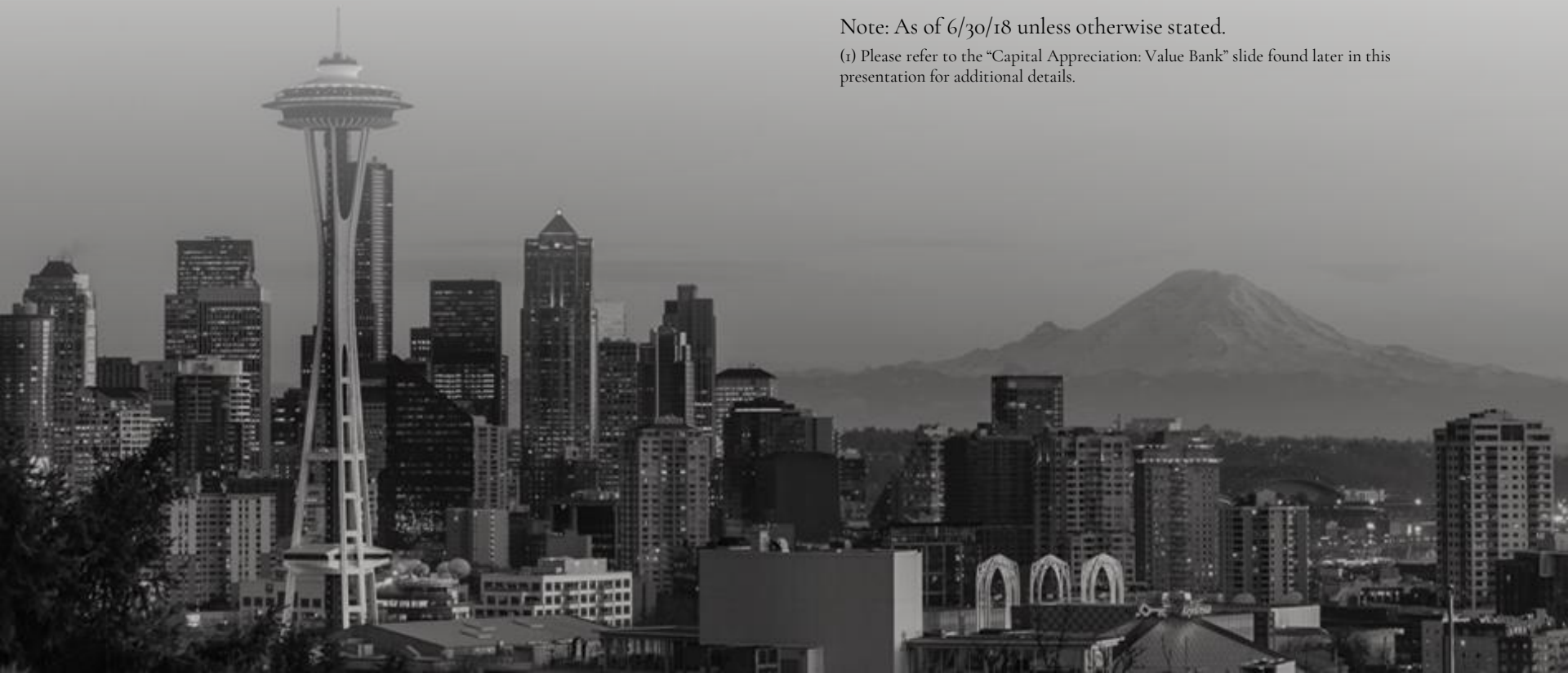
# Corporate Snapshot

NYSE Ticker	SAFE
Share Price (8/6/18)	\$17.36
Book Value / Share	\$20.00
Dividend Yield (8/6/18)	3.46%

Value Bank <sup>(1)</sup>	\$1,259M
Market Cap (8/6/18)	\$316M
Total Assets	\$683M
Total Liabilities	\$315M
Total Equity	\$368M

Note: As of 6/30/18 unless otherwise stated.

(1) Please refer to the “Capital Appreciation: Value Bank” slide found later in this presentation for additional details.



# Investment Opportunity (NYSE: SAFE)

## Market Disruptor

- Safety, Income & Growth set out to **redefine** how the market looks at real estate finance
- **First** and **only** publicly-traded company to focus on ground lease investments
- **Large opportunity** as **first mover** in a significant, untapped market

## SAFE Investment Attributes

- Ground leases generate attractive **risk-adjusted returns** combining:
  - **Safety:** One of the safest parts of a real estate capital structure
  - **Income:** Growing **inflation-hedged** rent streams
  - **Growth:** Potential for significant capital appreciation

## Portfolio Performance

- Since its IPO in June 2017:
  - Closed \$291M of additional transactions, increasing the size of its portfolio by 86% to \$631M
  - Annualized Cash Rent rose from \$17.4M to \$29.4M, driven by a combination of new ground lease originations and the rent escalations built into the ground lease contracts
  - Value Bank grew 188% to \$1.3B<sup>(1)</sup>

## Active Pipeline

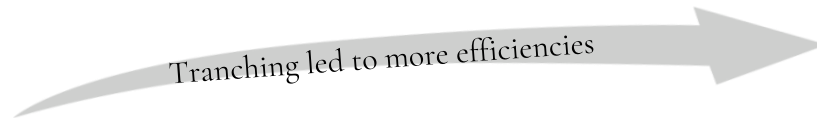
- **Seven** deals aggregating **\$141M** currently under LOI (as of July 17)
- SAFE continues to expand into more cities with new customers while continuing to see repeat client business

Note: Please refer to the Glossary for definitions of capitalized terms used in this presentation. Please refer to the “Appendix” for a reconciliation of non-GAAP financial metrics. Figures in this presentation are provided as of 6/30/18, unless otherwise specified.

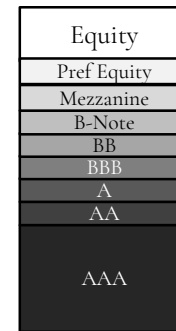
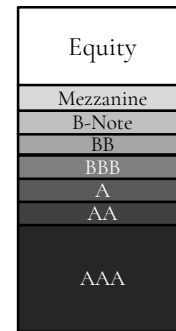
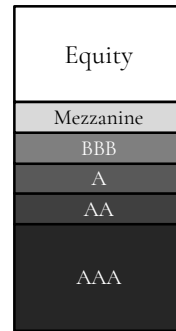
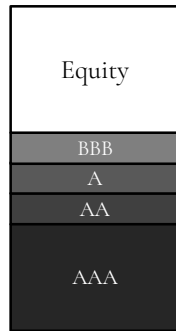
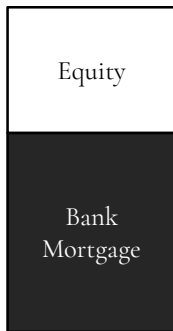
(1) Please refer to the “Capital Appreciation: Value Bank” slide found later in this presentation for additional details.

# Reinventing Ground Leases for Today's Market

- 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

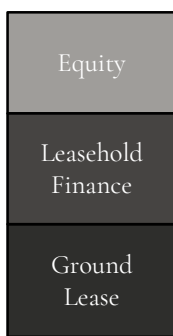
Tranching led to more efficiencies 

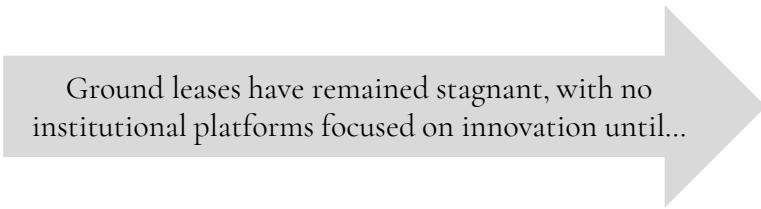
Debt Products



1980 ————— 1990 ————— 2000 ————— 2010 ————— 2018 

Ground Leases



Ground leases have remained stagnant, with no institutional platforms focused on innovation until... 



The SAFE Ground Lease™



The SAFE  
Ground Lease™

# What is a Ground Lease?

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.

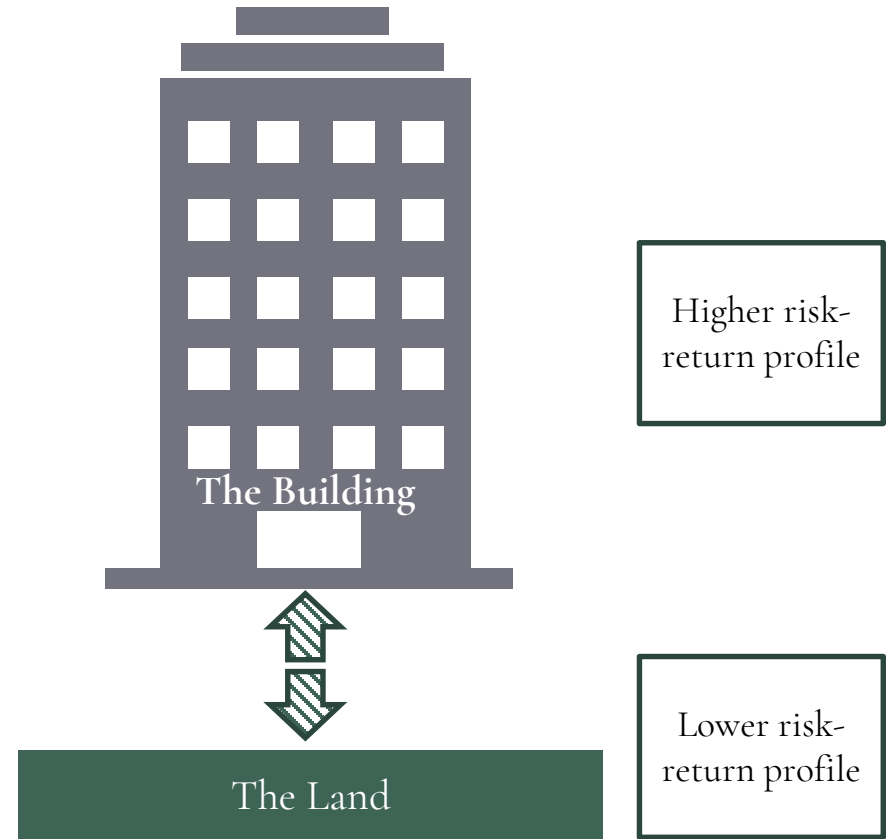
## The Structure:

- 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.



# The SAFE Ground Lease™ Business

- Our business is founded on the idea that there is a fundamental risk-reward mismatch in the current commercial real estate market.
- Owners and operators of buildings seeking higher returns with higher risk are currently also forced to purchase the land, a lower yielding asset that costs them additional capital.
- The **SAFE Ground Lease™** essentially bifurcates the land from the building to unlock value, freeing the building operator to focus on their higher return business, while SAFE can provide a portfolio of stable, increasing income to investors.
- Similar to the risk tranching of the debt markets, the **SAFE Ground Lease™** unlocks value so when you add up the sum of the parts,  $1 + 1 = \text{more than } 2$ .

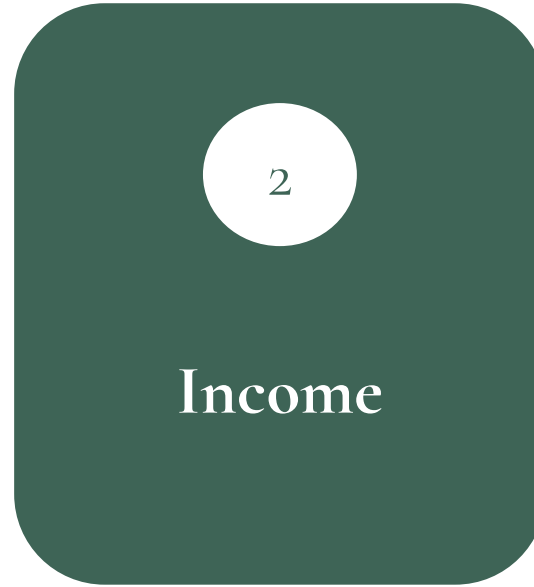




# 3 Key Investment Attributes of a SAFE Ground Lease™



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



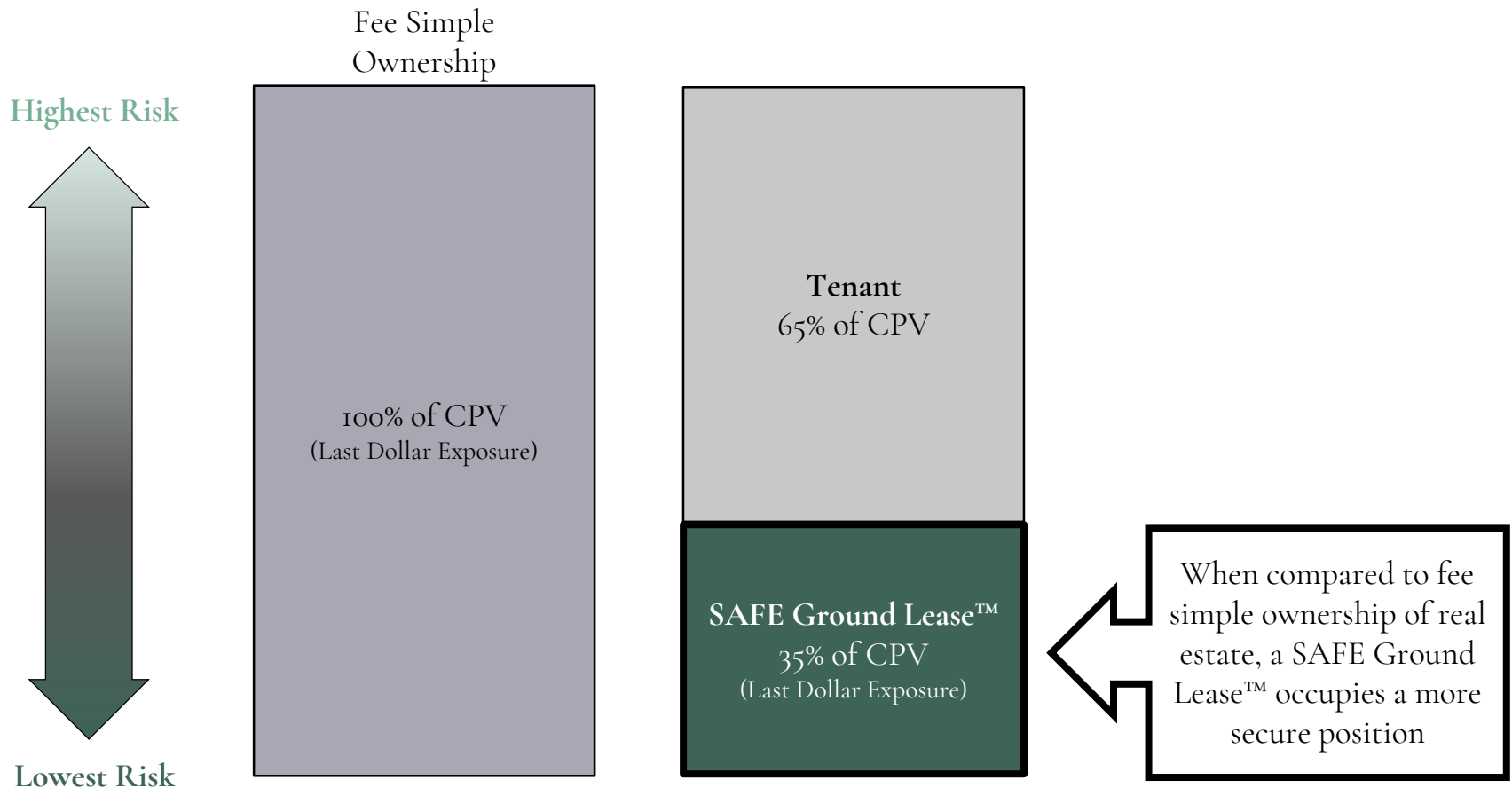
- Contractual rent escalators increase income over time
- Rent bumps are amplified with leverage
- Inflation-hedging components



- Reversion rights at lease expiration provide opportunity for significant capital appreciation
- Combined Property Value expected to increase with inflation over time

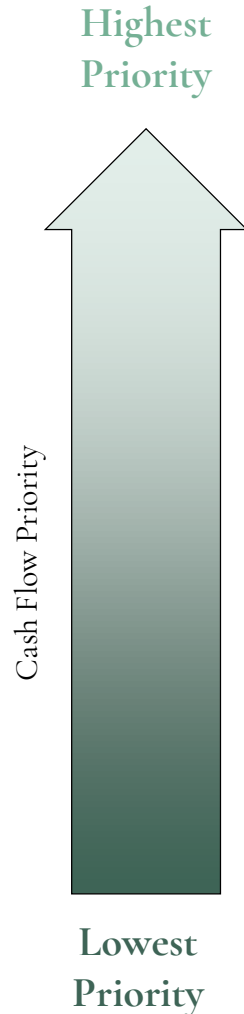
# Safety: Senior Position in the Capital Structure

## Asset Comparison



Note: 35% of Combined Property Value represents typical ground lease terms.

# Safety: Senior Cash Flow Priority Position



Illustrative P&L Statement for  
Commercial Real Estate Asset Under a Ground Lease

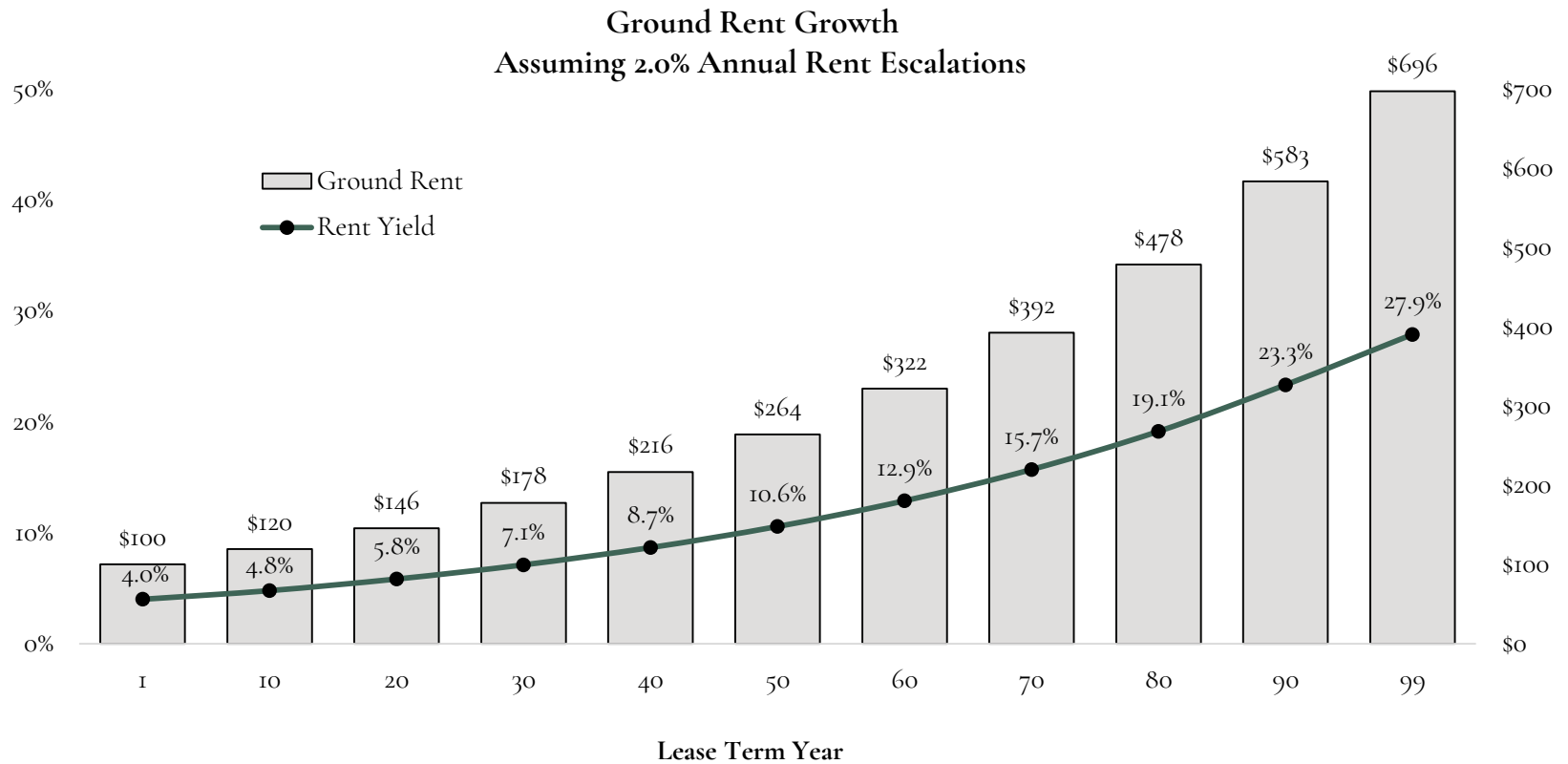
Property Level Revenue	\$100
Property Level Expenses:	
Real Estate Taxes	(\$5)
Utilities	(10)
Ground Rent to Landlord (SAFE)	(15)
Other Operating Expenses	(25)
Net Operating Income	\$45
Interest Expense	(\$30)
Net Income	\$15
Capital Expenditures	(\$5)
Net Cash Flow to Equity	\$10

Ground rent paid to SAFE occupies a senior cash flow priority position

Note: \$ in millions.

# Income: Growing Rent Streams

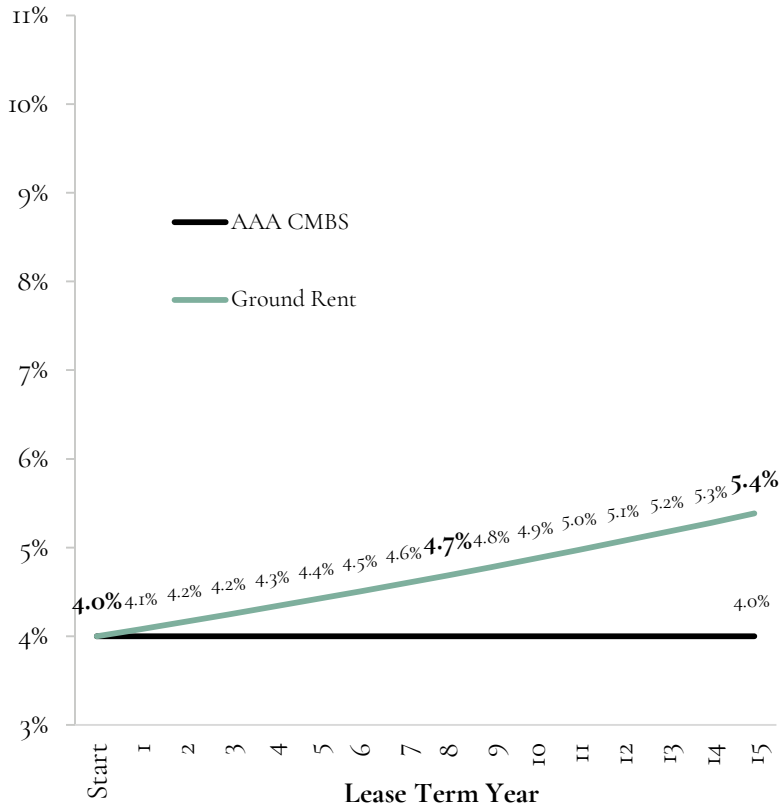
Contractual rent increases create organic, long-term compounding cash flows



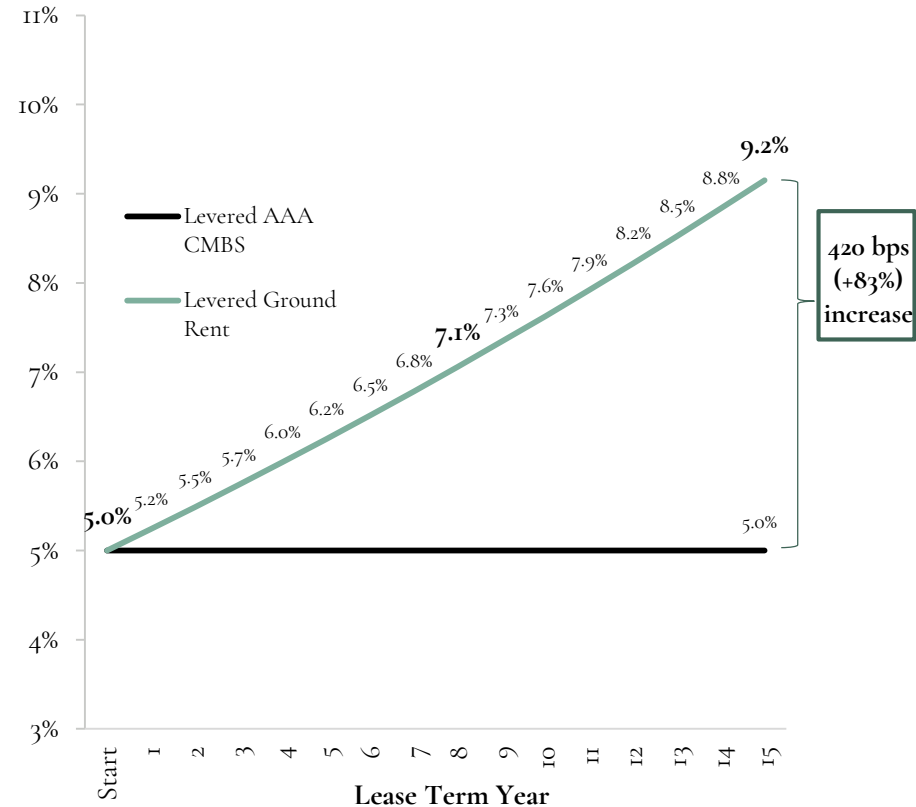
Note: Reflects an illustrative example of how \$100 of initial annual ground rent grows when increased by 2.0% annually over the life of a hypothetical 99-year ground lease. (1) Illustrative first year ROA reflects the midpoint of SAFE's targeted investment range of 3.0% - 5.0%.

# Income: Inflation Protection

Ground leases produce a cash-on-cash growing income stream versus similar risk fixed debt



Adding fixed rate leverage amplifies the bumps



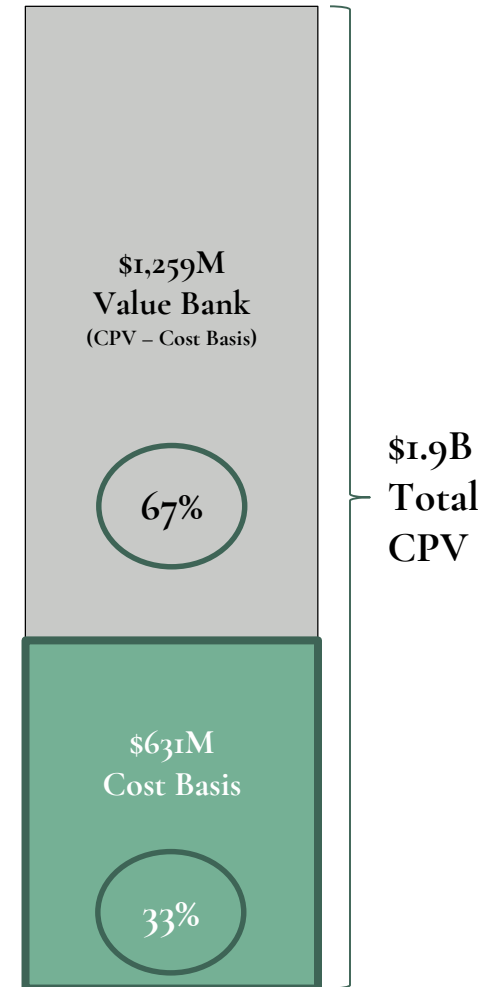
Note: Charts reflect an illustrative example with the following assumptions: ROA of 4.0%, annual bumps of 2.0%, leverage of 2.0x debt to equity and fixed-rate liabilities of 3.5%.

# Capital Appreciation: Value Bank of \$69 per Share

- Value Bank is calculated as today's estimated Combined Property Value (CPV) less the Cost Basis of SAFE's portfolio
- SAFE uses Value Bank to track the capital appreciation potential at lease expiration from our rights to acquire the buildings on our land.<sup>(1)</sup>

\$1,890M	Combined Property Value
- \$631M	Cost Basis
<hr/>	
\$1,259M	Value Bank

**CBRE conducts independent appraisals of the CPV of each asset<sup>(2)</sup>**

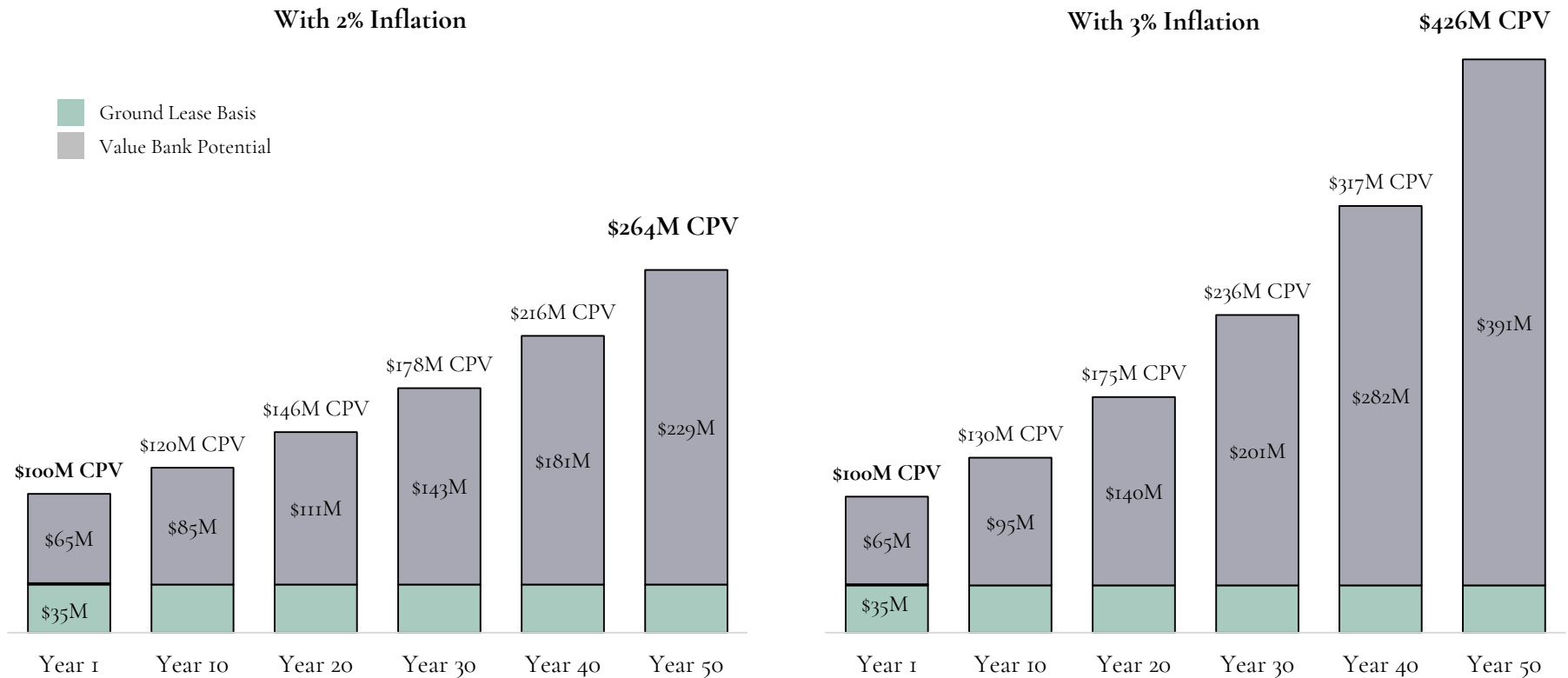


(1) Our ability to recognize value through reversion rights may be limited by the rights of our tenants under some of our ground leases, including tenant rights to purchase the properties or level properties under certain circumstances. Please refer to our Current Report on Form 8-K filed with the SEC on July 26, 2018 and "Risk Factors" in our Annual Report on Form 10-K 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. Please refer to our 8-K filed July 26, 2018 with the SEC for additional detail on CBRE's valuation and our calculation of Value Bank.

# Capital Appreciation: Inflation Protection

In conjunction with income streams, inflation has a magnifying effect on Value Bank which can create significant additional upside



Note: Assumes a \$100M building is bifurcated into a \$35M ground lease and \$65M leasehold. Assumes real estate values (CPV) grow over long periods of time with inflation.

# Typical SAFE Ground Lease™ Terms

<b>Lease Term</b>	Base term up to 99 years plus renewal options
<b>Contractual Rent Escalators</b>	Fixed bumps, CPI-based increases, or revenue participations
<b>Property Expenses</b>	No Landlord obligations
<b>Capital Expenditures</b>	No Landlord obligations
<b>Tenant Repair and Maintenance</b>	Tenant obligated to maintain the underlying property
<b>Remedies Upon Tenant Default</b>	Landlord (SAFE) entitled to terminate the lease, regain possession of the land and take ownership of the building, including all improvements
<b>Reversion Right at Lease Expiration</b>	Possession / ownership of the land and improvements revert to Landlord (SAFE)



# Target SAFE Ground Lease™ Features

<b>Investment Size</b>	\$20M - \$250M (with the ability to execute larger deals)
<b>Locations</b>	High barriers-to-entry major metropolitan areas
<b>Cap Rate</b>	First-year rent yields of 3.0% - 5.0%
<b>Exposure to Property</b>	Initially 30% - 45% of CPV
<b>Ground Rent Coverage</b>	2.0x to 5.0x for the first year of the lease
<b>Initial Lease Term</b>	30 to 99 years
<b>Rent Escalators</b>	Periodic fixed rent escalators with CPI-based adjustments

# How a SAFE Ground Lease™ Maximizes Returns

## The Power of a SAFE Ground Lease™

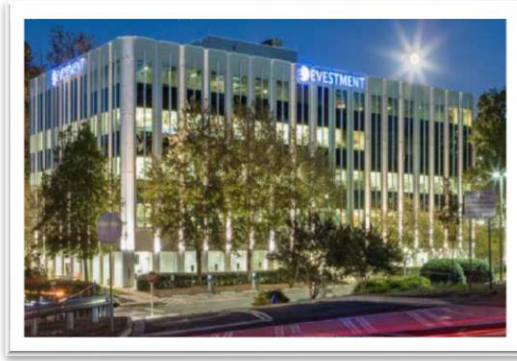


\$100.0M	Same Purchase Price	\$100.0M
\$25.0M	Less Equity Needed	\$16.9M
1.46x	Better DSCR on Leasehold Loan	1.67x
6.6%	Better Cash-on-Cash Returns	9.1%



# The Portfolio

# Recent Investments



## Glenridge Point

Atlanta, GA

A **SAFE Ground Lease™** on two five-story office buildings in the Central Perimeter submarket of Atlanta. This marks the third successful ground lease with this client. The buildings are well-located at the intersection of GA-400 and I-285, near three MARTA transit stations and multiple corporate headquarters. iStar provided the leasehold financing to the client.

## Promenade Crossing

Orlando, FL

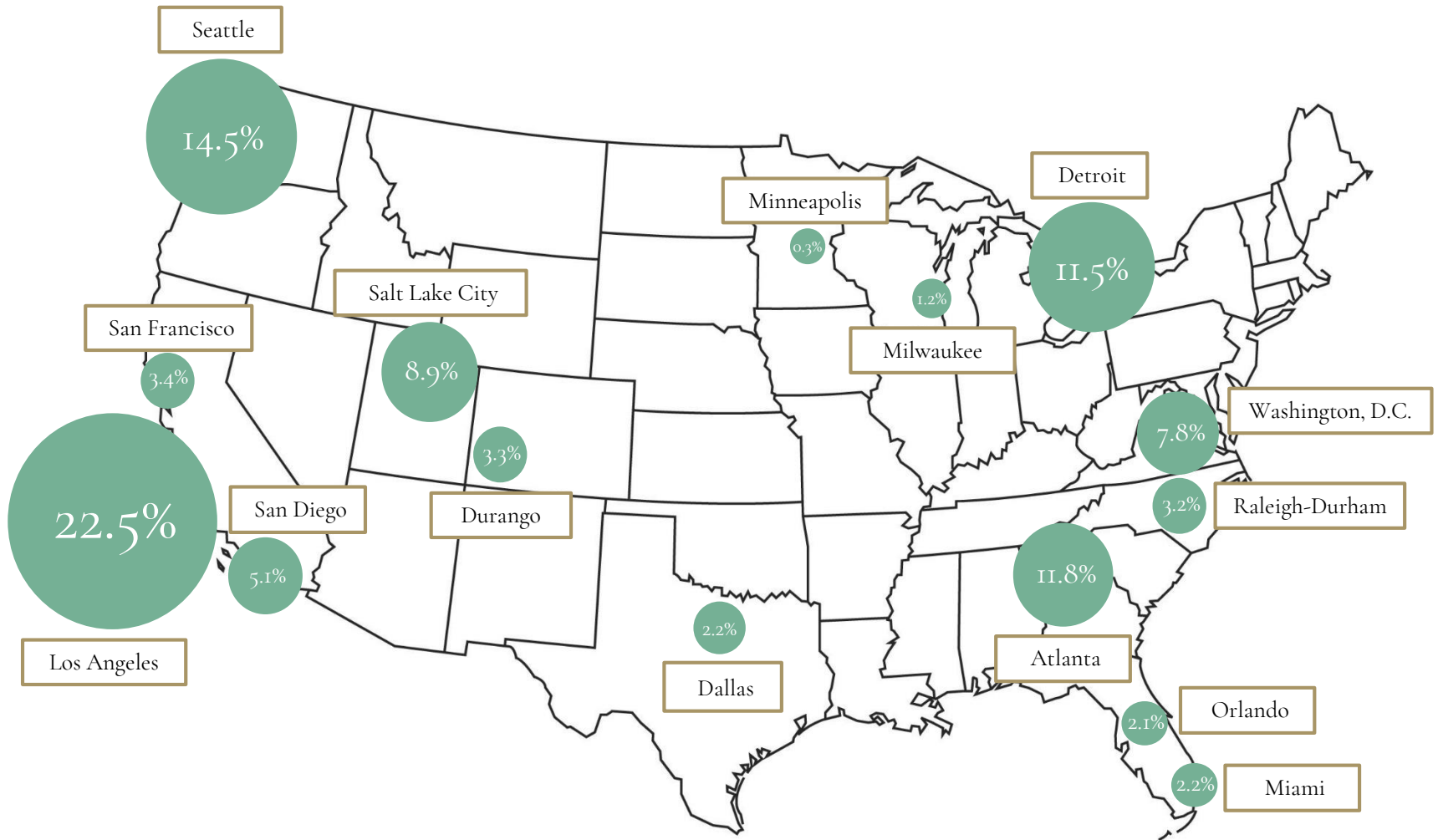
A **SAFE Ground Lease™** on a Class A multifamily in the high-end Baldwin Park submarket of Orlando. The property is a 212-unit community with amenities and close access to shopping centers, office parks, and the Orlando Executive Airport.

## Miami Airport 1 & 2

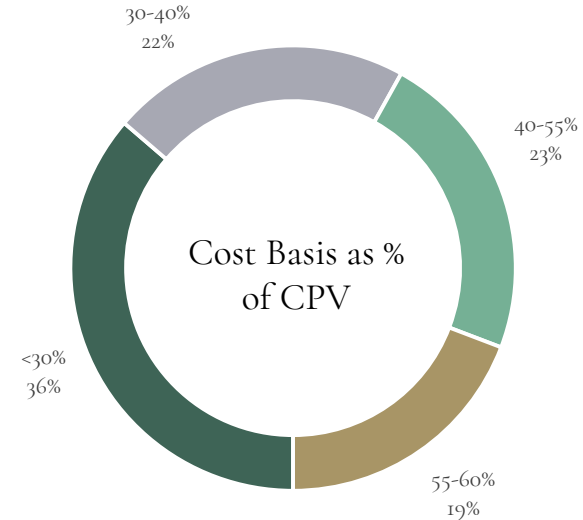
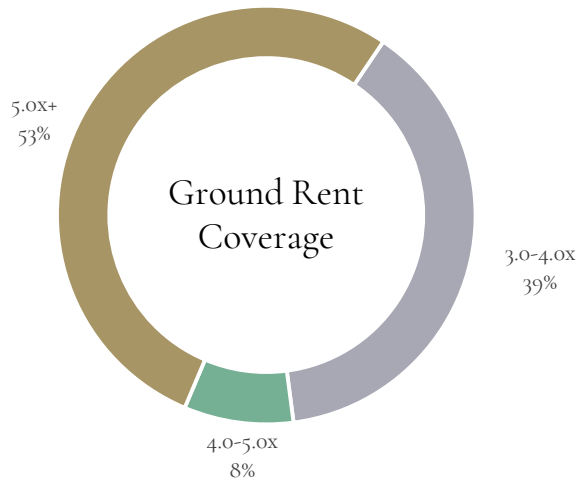
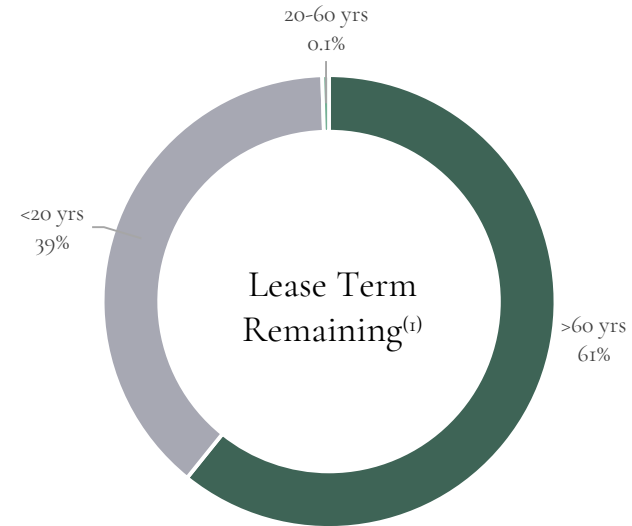
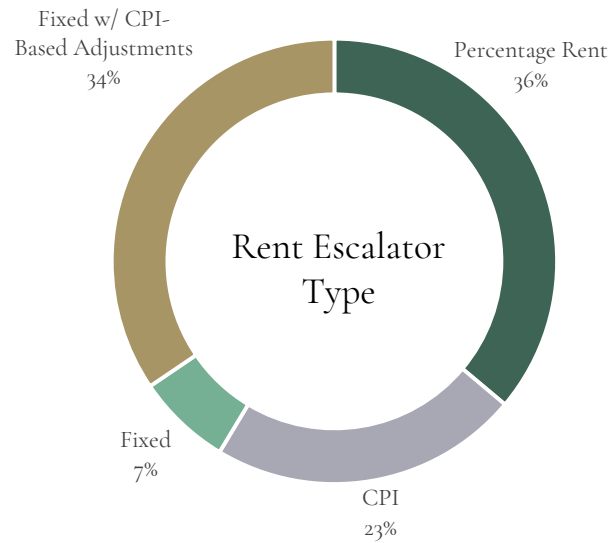
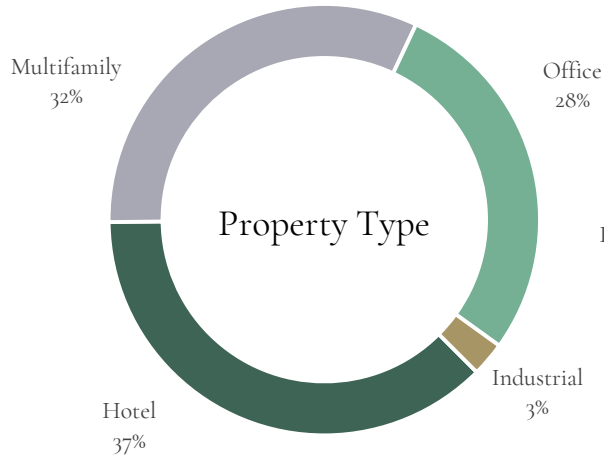
Miami, FL

Two **SAFE Ground Leases™** on adjoining industrial properties in Miami. The buildings are fully occupied by LSG Sky Chefs and adjacent to the Miami Airport Intermodal. SAFE purchased the ground leases and its client purchased the leaseholds on the properties from iStar.

# Geographic Diversification by MSA



# Portfolio Stratification



(1) Weighted based on in-place base rent; assumes leases are fully extended based on in-place rent.

# Portfolio Metrics

## Portfolio Rent Statistics

Annualized base rent	\$26.1M
TTM Park Hotels percentage rent	\$3.3M
Total Annualized Cash Rent	\$29.4M
Total GAAP rent ( <i>including TTM % rent</i> )	\$46.4M
Total Annualized Cash Rent as % of Cost Basis	4.7%
W.A. annualized contractual fixed rent escalations	1.8% <sup>(i)</sup>

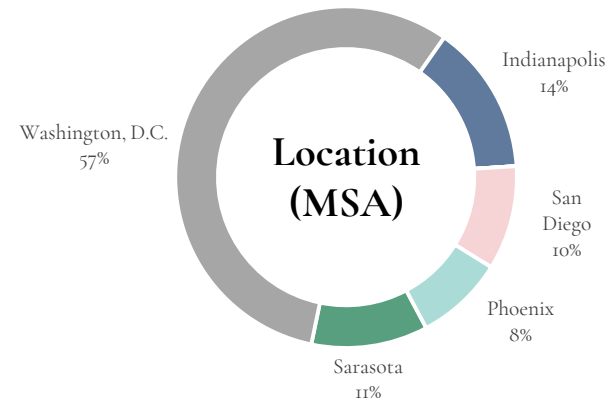
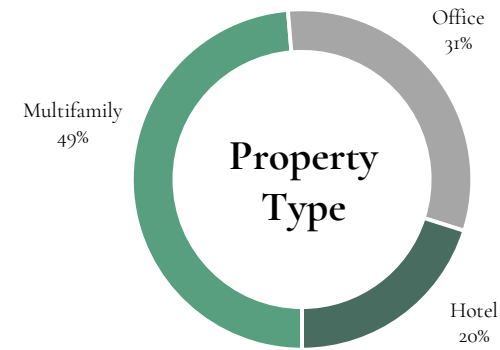
## Portfolio Ground Lease Statistics

Cost Basis as % of CPV	33.4%
Ground Rent Coverage	4.7x
W.A. lease term remaining	59 years
W.A. lease term remaining including extensions	74 years
Total Cost Basis of Portfolio	\$631M

(i) Represents the weighted-average annualized escalation of leases that have contractual fixed bumps. Does not include leases with solely inflation-based or percentage rent escalations, which represent 23% and 36%, respectively, of the total portfolio cost basis.

# Active Pipeline (as of July 17)

**\$141M Near-Term Pipeline  
(Under LOI)  
7 Deals**



- The pipeline includes a strong mix of new customers and repeat client business
- SAFE is targeting new MSA markets to expand and diversify its ground lease business

Note: There can be no assurance that SAFE will acquire or originate any of the investments currently being pursued on favorable terms or at all. Percentages are based on estimated ground lease value.





# Company Details

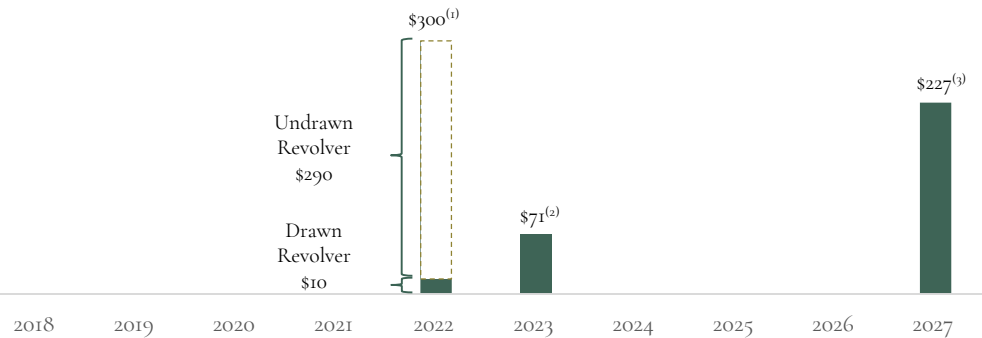
# Corporate Debt Overview

## Debt Maturity Profile

### Debt Profile (Effective Rate)

2022		
Jun. <sup>(1)</sup>	\$10	L+135
2023		
Jan. <sup>(2)</sup>	\$71	3.04%
2027		
Apr. <sup>(3)</sup>	\$227	3.77%
<b>Total</b>	<b>\$308</b>	

W.A. Extended Maturity is 7.6 years



### Target Leverage

- (i) <2.0x Debt to Equity
- (ii) 25% Debt as a % of CPV

### Current Leverage

Book Debt	\$308
Book Equity	\$367
<b>Leverage (Debt to Equity)</b>	<b>0.8x</b>
Combined Property Value (CPV)	\$1,890
<b>Debt as a % of CPV</b>	<b>16.3%</b>

Note: \$ in millions. For additional information on our debt please refer to the 10-Q.

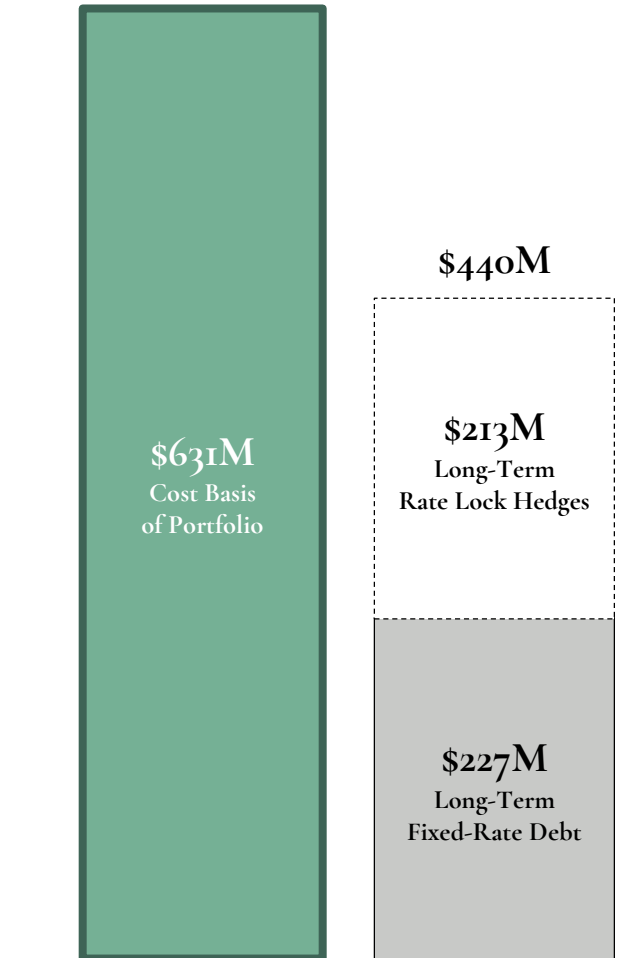
(1) Initial maturity is June 2020 with two 1-year extensions.

(2) Callable without pre-payment penalty beginning January 2021.

(3) April 2027 represents Anticipated Repayment Date. Final maturity is April 2028.

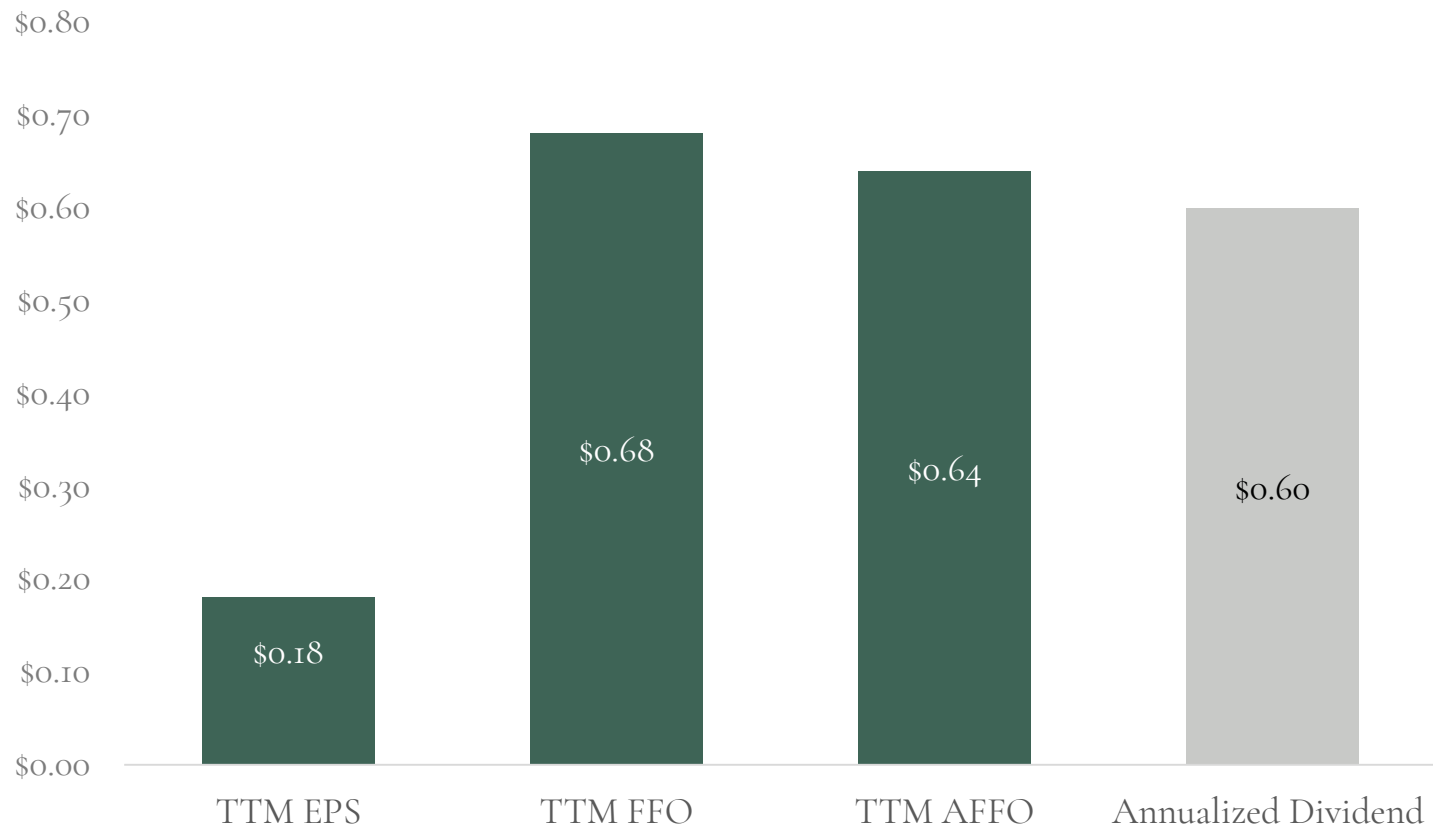
# Interest Rate Protection

- The Company seeks to mitigate the impact of interest rate fluctuations by entering into hedges associated with each ground lease prior to taking on long-term debt
- In addition to \$227M of long-term fixed-rate debt, the Company has entered into \$213M of aggregate notional value of long-term rate lock hedges for prospective long-term financings on unlevered ground leases
  - Hedges sufficient to allow Company to leverage up to debt/equity target of 2x with interest rate protection
- Weighted average of more than 10 years of interest rate protection on existing portfolio



# Dividend Coverage

- \$0.15 dividend was declared in the second quarter representing an annualized rate of \$0.60 per share.

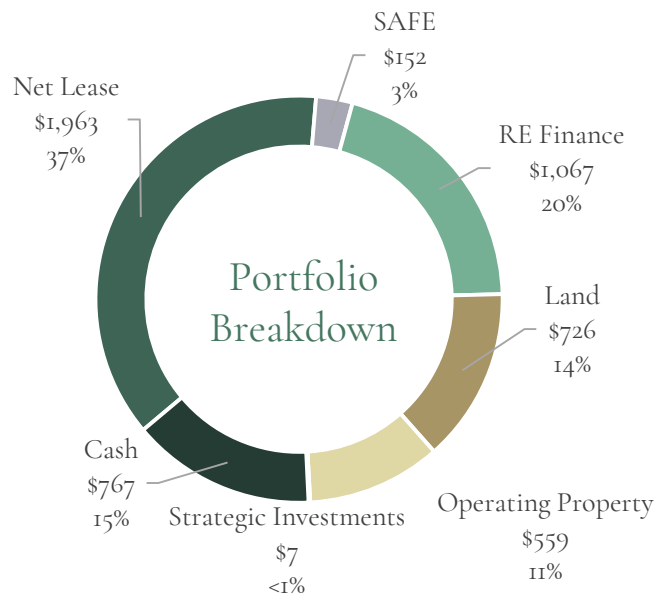


Note: \$ amounts are given per share. Please refer to the “EPS, FFO & AFFO Reconciliation” slide in the Appendix for additional details.

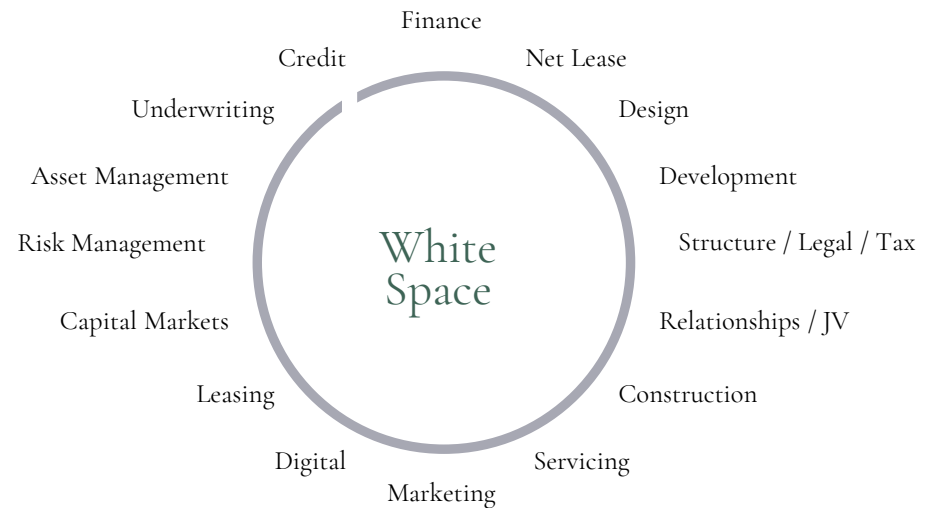
# Overview of Manager: iStar (NYSE: STAR)

- iStar (NYSE: STAR) brings experience built on nearly \$40B of real estate finance and investment deals over the past two decades
- National platform with 8 regional offices and nearly 200 employees
- Largest shareholder of SAFE (39.8% of shares outstanding)

Current iStar Investment Portfolio<sup>(i)</sup>



Fully Integrated Platform



<sup>(i)</sup> \$ in millions. Figures based on cost basis of the company's total investment portfolio, including accumulated depreciation, real estate-related intangibles, amortization of intangibles, proportionate share of joint venture depreciation and amortization, and general loan loss reserves.

# Stockholder-Friendly Management Contract

Best-in-class management contract and fee arrangement to support growth

<b>Manager</b>	Wholly owned subsidiary of iStar Inc.
<b>Management Fee</b>	1.0% of total shareholder's equity <sup>(1)</sup> (up to \$2.5B) 0.75% of total shareholder's equity <sup>(1)</sup> (> \$2.5B)
<b>Management Fee Consideration</b>	Payment will be in SAFE stock (at the greater of the volume weighted average market price of our stock during the quarter for which the fee is being paid or the IPO price)
<b>Lock-up</b>	Restriction from selling common stock received for management fees for 2 years from the date of such issuance <sup>(2)</sup>
<b>Management Fee Waiver</b>	No management fee paid to manager during first year
<b>Incentive Fee</b>	None (alignment as largest shareholder)
<b>Term</b>	1 Year
<b>Renewal Provision</b>	Annual renewal to be approved by majority of SAFE independent directors
<b>Termination Fee</b>	None

(1) Based on the total stockholder's equity.

(2) Such restriction will terminate at the effective date of the termination of the management agreement.

# Stockholder-Friendly Corporate Governance

Strong corporate governance model facilitates corporate accountability and stockholder alignment

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## Board of Directors

Majority Independent Board

Non-staggered Board

Lead Independent Director

Exclusivity agreement with iStar will provide SAFE with a first look at GL investments<sup>(1)</sup>

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## Corporate Governance

Opted out of the MGCL Business Combination Act

Opted out of the MGCL Control Share Act

Opted out of MUTA

No stockholder rights plan<sup>(2)</sup>

- 
- (1) iStar will not acquire, originate, invest in, or provide financing for a third party's acquisition of, a GL unless it has first offered that opportunity to SAFE. The exclusivity agreement will not apply to opportunities that include only an incidental interest in GLs or opportunities to manufacture or otherwise create a GL from a property that has been owned by iStar's existing net lease venture with GIC for at least three years after the closing of the offering.
  - (2) Board may not adopt a stockholder rights plan without majority stockholder approval, except if the Board determines that seeking stockholder approval will not be in the best interests under the then existing circumstances. If a stockholder rights plan is adopted by the board without prior stockholder approval, such plan will expire on the next annual stockholders meeting held after the first anniversary of the adoption of such plan

# Appendix



# Appendix

## Income Statement

	For the Three Months Ended June 30, 2018	For the Six Months Ended June 30, 2018
<b>Revenues:</b>		
Ground lease and other lease income	\$9,861	\$21,141
Other income	1,713	2,126
<b>Total revenues</b>	<b>\$11,574</b>	<b>\$23,267</b>
<b>Costs and expenses:</b>		
Interest expense	\$3,376	\$6,631
Real estate expense	398	752
Depreciation and amortization	2,275	4,546
General and administrative <sup>(1)</sup>	2,527	4,559
Stock-based compensation <sup>(1)</sup>	765	765
Other expense	471	510
<b>Total costs and expenses</b>	<b>\$9,812</b>	<b>\$17,763</b>
<b>Net income</b>	<b>\$1,762</b>	<b>\$5,504</b>
Net (income) attributable to non-controlling interests	(59)	(82)
<b>Net income attributable to Safety, Income &amp; Growth Inc. and allocable to common shareholders</b>	<b>\$1,703</b>	<b>\$5,422</b>
<b>Weighted avg. share count</b>	<b>18,191</b>	<b>18,191</b>
<b>Earnings per share</b>	<b>\$0.09</b>	<b>\$0.30</b>

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

(1) Management fee and iStar reimbursables were waived by our manager through June 30, 2018. Please refer to the "General & Administrative" slide for additional details on these expenses.

# Appendix

## FFO / AFFO

	For the Three Months Ended June 30, 2018	For the Six Months Ended June 30, 2018
Net income allocable to Safety, Income & Growth Inc. common shareholders	\$1,703	\$5,422
Add: Real estate related depreciation and amortization	2,275	4,546
<b>FFO allocable to Safety, Income &amp; Growth Inc. common shareholders</b>	<b>\$3,978</b>	<b>\$9,968</b>
FFO allocable to Safety, Income & Growth Inc. common shareholders	\$3,978	\$9,968
Less: Straight-line rental income	(3,944)	(6,602)
Add: Amortization of real estate-related intangibles, net	547	1,017
Add: Stock-based compensation	765	765
Add: Non-cash management fee expense	1,273	2,581
Add: Non-cash interest expense	363	710
Add: Allocable share of non-controlling interests' depreciation, amortization and straight-line rental income	40	54
<b>AFFO allocable to Safety, Income &amp; Growth Inc. common shareholders</b>	<b>\$3,022</b>	<b>\$8,493</b>
Weighted avg. share count	18,191	18,191
FFO per share <sup>(1)</sup>	\$0.22	\$0.55
AFFO per share <sup>(1)</sup>	\$0.17	\$0.47

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

(1) Please refer to the "Glossary" slides for an explanation of FFO and AFFO.

# Appendix

## Balance Sheets

	As of June 30, 2018	As of March 31, 2018
<b>Assets</b>		
Real estate		
Real estate, gross	\$484,458	\$456,476
Accumulated depreciation	(7,255)	(5,754)
Real estate, net	477,203	450,722
Real estate-related intangibles, net <sup>(i)</sup>	140,016	125,802
Ground lease assets, net	617,219	576,524
Cash and cash equivalents	35,805	83,177
Other assets	30,025	18,719
<b>Total assets</b>	<b>\$683,049</b>	<b>\$678,420</b>
<b>Liabilities and Equity</b>		
Liabilities:		
Debt obligations, net	\$307,276	\$307,178
Accounts payable and other liabilities	7,401	7,585
<b>Total liabilities</b>	<b>\$314,677</b>	<b>\$314,763</b>
Equity:		
Common stock	\$182	\$182
Additional paid-in capital	369,612	366,227
Retained earnings (deficit)	(9,328)	(8,295)
AOCI	6,101	3,770
<b>Total shareholders' equity</b>	<b>\$366,567</b>	<b>\$361,884</b>
Non-controlling interests	1,805	1,773
<b>Total equity</b>	<b>\$368,372</b>	<b>\$363,657</b>
<b>Total liabilities and equity</b>	<b>\$683,049</b>	<b>\$678,420</b>

Note: \$ in thousands.

(i) "Real estate-related intangibles, net" represents real estate-related intangible assets of \$198M and \$184M as of June 30, 2018 and March 31, 2018, respectively, less real estate-related intangible liabilities of \$58M as of June 30, 2018 and March 31, 2018, respectively.

# Asset Summary by Property Type

Property	Location (MSA)	Property Type	Lease Expiration / As Extended	Rent Escalation Structure
6201 Hollywood (North)	Los Angeles, CA	Multi-Family	2104 / 2104	% of CPI
6200 Hollywood (South)	Los Angeles, CA	Multi-Family	2104 / 2104	% of CPI
Onyx on First	Washington, D.C.	Multi-Family	2117 / 2117	Fixed w/ CPI-Based Adjustments
The Buckler Apartments	Milwaukee, WI	Multi-Family	2112 / 2112	Fixed
Promenade Crossing	Orlando, FL	Multi-Family	2117 / 2117	Fixed w/ CPI-Based Adjustments
One Ally Center	Detroit, MI	Office	2114 / 2174	Fixed w/ CPI-Based Adjustments
LifeHope Medical Campus	Atlanta, GA	Office	2116 / 2176	Fixed
Northside Forsyth Hospital Medical Center	Atlanta, GA	Office	2115 / 2175	Fixed w/ CPI-Based Adjustments
NASA/JPSS Headquarters	Washington, D.C.	Office	2075 / 2105	Fixed
Pershing Point	Atlanta, GA	Office	2117 / 2124	Fixed w/ CPI-Based Adjustments
Regency Lakeview	Raleigh-Durham, NC	Office	2117 / 2122	Fixed w/ CPI-Based Adjustments
Glenridge Point	Atlanta, GA	Office	2117 / 2117	Fixed w/ CPI-Based Adjustments
Doubletree Seattle Airport <sup>(a)†</sup>	Seattle, WA	Hospitality	2025 / 2035	% Rent
Hilton Salt Lake <sup>†</sup>	Salt Lake City, UT	Hospitality	2025 / 2035	% Rent
Doubletree Mission Valley <sup>†</sup>	San Diego, CA	Hospitality	2025 / 2035	% Rent
Doubletree Durango <sup>†</sup>	Durango, CO	Hospitality	2025 / 2035	% Rent
Doubletree Sonoma <sup>†</sup>	San Francisco, CA	Hospitality	2025 / 2035	% Rent
Dallas Market Center: Sheraton Suites	Dallas, TX	Hospitality	2114 / 2114	Fixed
Dallas Market Center: Marriott Courtyard	Dallas, TX	Hospitality	2026 / 2066	% Rent
Lock Up Self Storage Facility	Minneapolis, MN	Industrial	2037 / 2037	Fixed
Miami Airport 1 (3500 N.W. 24th Street)	Miami, FL	Industrial	2117 / 2117	Fixed w/ CPI-Based Adjustments
Miami Airport 2 (3630 N.W. 25th Street)	Miami, FL	Industrial	2117 / 2117	Fixed w/ CPI-Based Adjustments
<b>Weighted Avg.</b>			<b>59 / 74 yrs</b>	

Note: Refer to the "Glossary" for definitions.

†Park Hotels Portfolio Asset which is on a single master lease.

(a) A majority of the land underlying this property is owned by a third party and is ground leased to us through 2044 with rents that are subject to changes in the CPI; however, our tenant pays this cost directly to the third party.

# Cost Basis Reconciliation

	As of June 30, 2018
<b>Real estate, net</b>	<b>\$ 477,203</b>
Add: Accumulated depreciation	7,255
<b>Real estate, gross</b>	<b>\$ 484,458</b>
Add: In-place lease intangibles, net	38,512
Add: Above market intangibles, net	158,406
Add: Lease inducement intangibles, net	747
Add: Leasing commissions, net	221
Less: Below market intangibles, net	(57,649)
Add: Accumulated amortization	5,891
<b>Cost Basis</b>	<b>\$ 630,586</b>

Note: \$ in thousands.

## Appendix

# EPS, FFO, & AFFO Reconciliation

	Trailing Twelve Months Ended June 30, 2018
<b>Net income allocable to Safety, Income &amp; Growth Inc. common shareholders</b>	<b>\$3,360</b>
Add: Real estate related depreciation and amortization	9,078
<b>FFO allocable to Safety, Income &amp; Growth Inc. common shareholders</b>	<b>\$12,438</b>
FFO allocable to Safety, Income & Growth Inc. common shareholders	\$12,438
Less: Straight-line rental income	(9,655)
Add: Amortization of real estate-related intangibles, net	1,847
Add: Stock-based compensation	765
Add: Non-cash management fee expense	5,034
Add: Non-cash interest expense	1,174
Add: Allocable share of non-controlling interests' depreciation, amortization and straight-line rental income	55
<b>AFFO allocable to Safety, Income &amp; Growth Inc. common shareholders</b>	<b>\$11,658</b>
<b>Weighted avg. share count</b>	<b>18,190</b>
<b>Earnings per share</b>	<b>\$0.18</b>
<b>FFO per share<sup>(1)</sup></b>	<b>\$0.68</b>
<b>AFFO per share<sup>(1)</sup></b>	<b>\$0.64</b>

Note: \$ in thousands except for per share amounts. (1) Please refer to the "Glossary" slides for an explanation of FFO and AFFO.

# Appendix

## Glossary

Ground Lease Basis	Ground Lease Basis is the historical purchase price paid by SAFE to acquire or originate a ground lease.
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 based on independent appraisals by CBRE. The Company will use management estimates for recently acquired and originated ground leases for which appraisals from CBRE are not yet available.
Basis as % of CPV	Calculated as our Ground Lease Basis divided by CPV. We believe the metric is an indicative measure of the safety of our position in a real estate property's capital structure and represents our last-dollar economic exposure to the underlying property values.
Value Bank	Calculated as the difference between CPV and Ground Lease Basis. We believe Value Bank represents additional potential value to SAFE stockholders through the reversion rights embedded in standard ground leases.
Ground Rent Coverage	The ratio of Underlying Property NOI or Estimate Underlying Property NOI to the annualized base rental payment due to us. We believe the metric is indicative of our seniority in a property's cash flow waterfall. Underlying Property NOI is based on information reported to us by our tenants without any independent investigation or verification by us.
Funds from Operations (FFO)	FFO is calculated in accordance with the National Association of Real Estate Investment Trusts (NAREIT) which defines FFO as net income (determined in accordance with GAAP), excluding gains or losses from sales of depreciable operating property, plus real estate-related depreciation and amortization.
Adjusted Funds from Operations (AFFO)	Calculated by adding (or subtracting) to FFO the following items: straight-line rental income, the amortization of real estate-related intangibles, stock-based compensation, acquisition costs, non-cash management fees, and expense reimbursements, the amortization of deferred financing costs and other expenses related to debt obligations.

Disclaimer: Set forth in the Glossary are the current definitions of certain items that we use in this presentation. This Glossary is intended to facilitate a reader's understanding of this presentation. There can be no assurance that we will not modify these terms in future presentations as we deem necessary or appropriate.

## Appendix

# Glossary – (cont'd)

Underlying Property NOI	With respect to a property, the net operating income of the commercial real estate being operated at the property without giving effect to any rent paid or payable under our ground lease. Net operating income is calculated as property-level revenues less property-level operating expenses as reported to us by the tenant, or as otherwise publicly available. We rely on net operating income as reported to us by our tenants without any independent investigation by us, or as otherwise publicly available. Note that figures denoted by Underlying Property NOI include One Ally using the source: Prospectus, dated December 14, 2017, of the Wells Fargo Commercial Mortgage Trust 2017-C42.
Leverage	The ratio of book debt to book equity.
Estimated Underlying Property NOI	Management utilizes (i) estimated underlying property net operating income (NOI) in situations where actual underlying property NOI is unavailable and (ii) projected stabilized property NOI when a project is under development. These figures are based on leasing activity at the property and may include other available market information, such as comparable properties or third party valuations.