Safety, Income & Growth Inc.

The Ground Lease Company

Q2 '18 Earnings Results

July 26, 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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I. Earnings

Q2 '18 Results

Earnings

	$ in Thousands	Per Share
Net Income	$1,703	$0.09
FFO[1]	$3,978	$0.22
AFFO[1]	$3,022	$0.17

Investment Activity

— **$44M** in ground lease investments added from **four** new leases

— **$631M** Cost Basis of portfolio at June 30, 2018

— **$1.5M** termination fee received in Q2 after third-party exercised right of first refusal to purchase 635 Madison ground lease

Active Pipeline

— **Seven** deals aggregating **$141M** currently under LOI

— SAFE continues to expand into new markets with new customers while continuing to see repeat client business

Note: Refer to the Glossary for definitions of capitalized terms used in this presentation.
(1) Please refer to the Non-GAAP financial metrics in the "FFO/AFFO" slide for reconciliations of these measures to GAAP net income.

Section 1 – Earnings

Q2 '18 Highlights

Rent Growth

Q1/Q2 Cash Rent

(Excluding Park Hotels % Rent)

+12%

$5.6M → $6.2M

Cash Rent (excluding annual Park Hotel % rent received in Q1 '18) rose 12% to $6.2M versus Q1 '18. Growth over the period was driven by new investments.

Investment Activity

Four

new leases

SAFE added four new ground leases over the quarter, totaling $44M. The deals were closed with a combination of both repeat and new customers.

Portfolio Expansion

Q1/Q2 Portfolio

↑ 7.5% to $631M

Q1/Q2 Value Bank

↑ 6% to $1.3B

SAFE's portfolio increased sequentially by 7.5% to $631M from Q1 '18.

Meanwhile, Value Bank rose to $1.3B, or $69 per share.(1)

(1) Please refer to the "Value Bank" slide for an explanation of how Value Bank is calculated and certain potential limitations of our reversion rights.

First Year Highlights

Since its IPO in June of 2017, SAFE has:

- 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(1)

Note: Please refer to the "Glossary" slide for an explanation of Annualized Cash Rent calculation.
(1) Please refer to the "Value Bank" slide for an explanation on how we calculate Value Bank and certain potential limitations of our reversion rights.

Income Statement

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

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.

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
FFO allocable to Safety, Income & Growth Inc. common shareholders	**$3,978**	**$9,968**
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
AFFO allocable to Safety, Income & Growth Inc. common shareholders	**$3,022**	**$8,493**
Weighted avg. share count	**18,191**	**18,191**
FFO per share(1)	**$0.22**	**$0.55**
AFFO per share(1)	**$0.17**	**$0.47**

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

General & Administrative Breakdown

Q2 '18 G&A

$1.3M of $3.3M is waived

- 100% of the management fee and reimbursables were waived through June 30, 2018. Beginning in Q3, the company will begin paying its management fee in the form of SAFE stock.
- Management fee and reimbursables are recorded as GAAP expenses during the waiver period, and are offset with an equal increase to equity on the balance sheet.

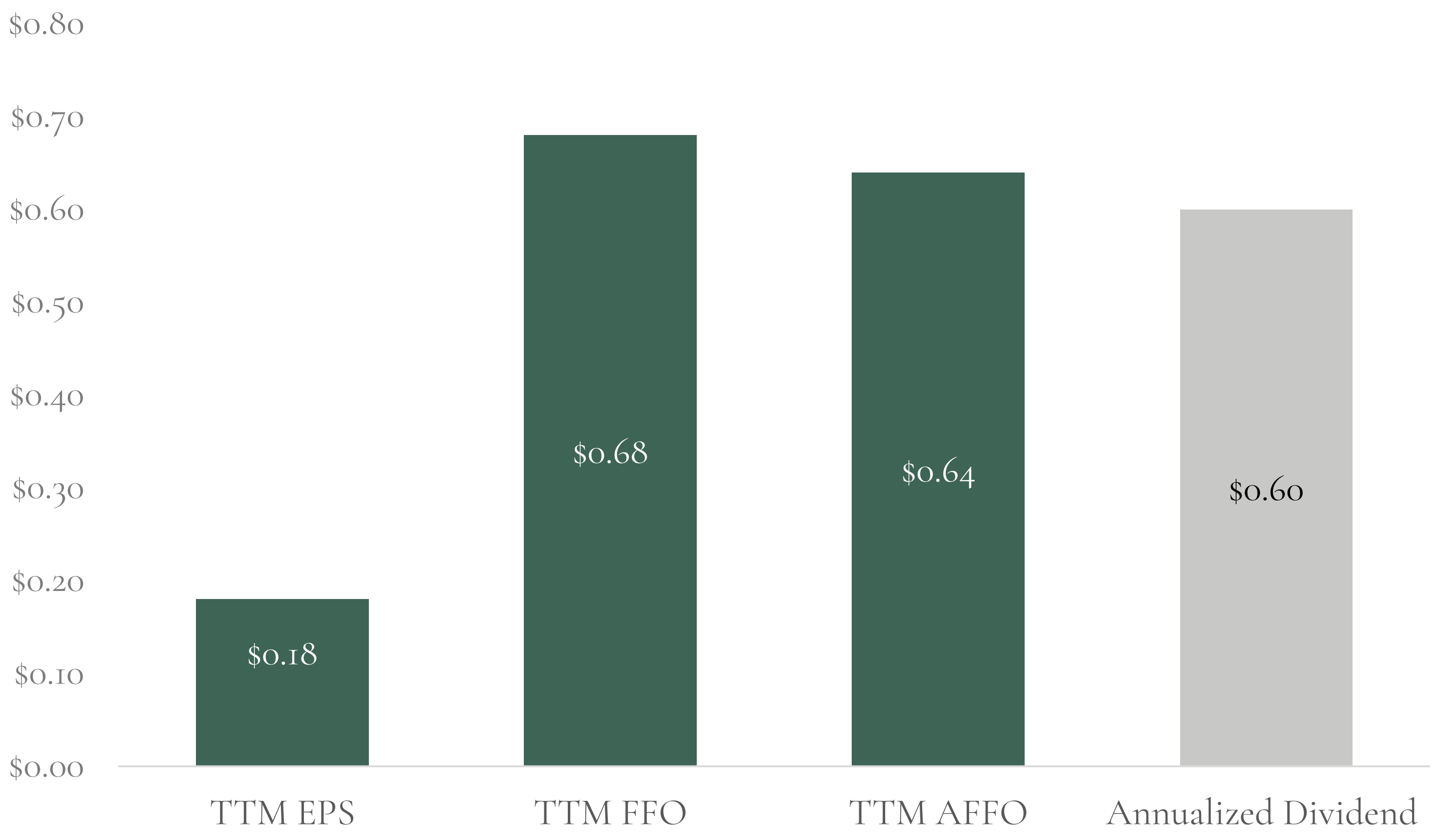
General & Administrative (Including Stock-Based Compensation)

	Q2 '18	Description	Notes
Management fee	$907	Fee based on 1% of equity. Paid in the form of SAFE stock.	Waived until June 30, 2018. Despite waiver, recorded as an expense offset by an increase to equity.
Reimbursables	366	Includes bookkeeping, tax and other services performed by our manager, iStar, which are subject to reimbursement.	Waived until June 30, 2018. Recorded as an expense offset by an increase to equity.
Public company and other costs	1,254	Auditors, legal, listing fees and other expenses.	Paid in cash.
Stock Grant	765	Fully vested stock grant to non-management directors in consideration for their annual services paid in Q2 for the upcoming year.	Non-cash expense.
Total	**$3,292**		

Note: $ in thousands unless otherwise noted.

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.

II. Portfolio

Q2 '18 Investment Metrics

Q1 '18		Q2 '18
$588M Cost Basis	+7.5%	$631M Cost Basis
18 Ground Leases	+$44M From 4 new ground leases	22 Ground Leases

<u>Q2 '18 Deals</u>

W.A. Cap Rate	W.A. Rent Escalators	W.A. Ground Rent Coverage	W.A. Cost Basis as a % of CPV
4.25%	<u>2.0% annualized fixed increases</u> over the lease term and all deals include <u>CPI-based adjustments</u>	4.1x	35.2%

New 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

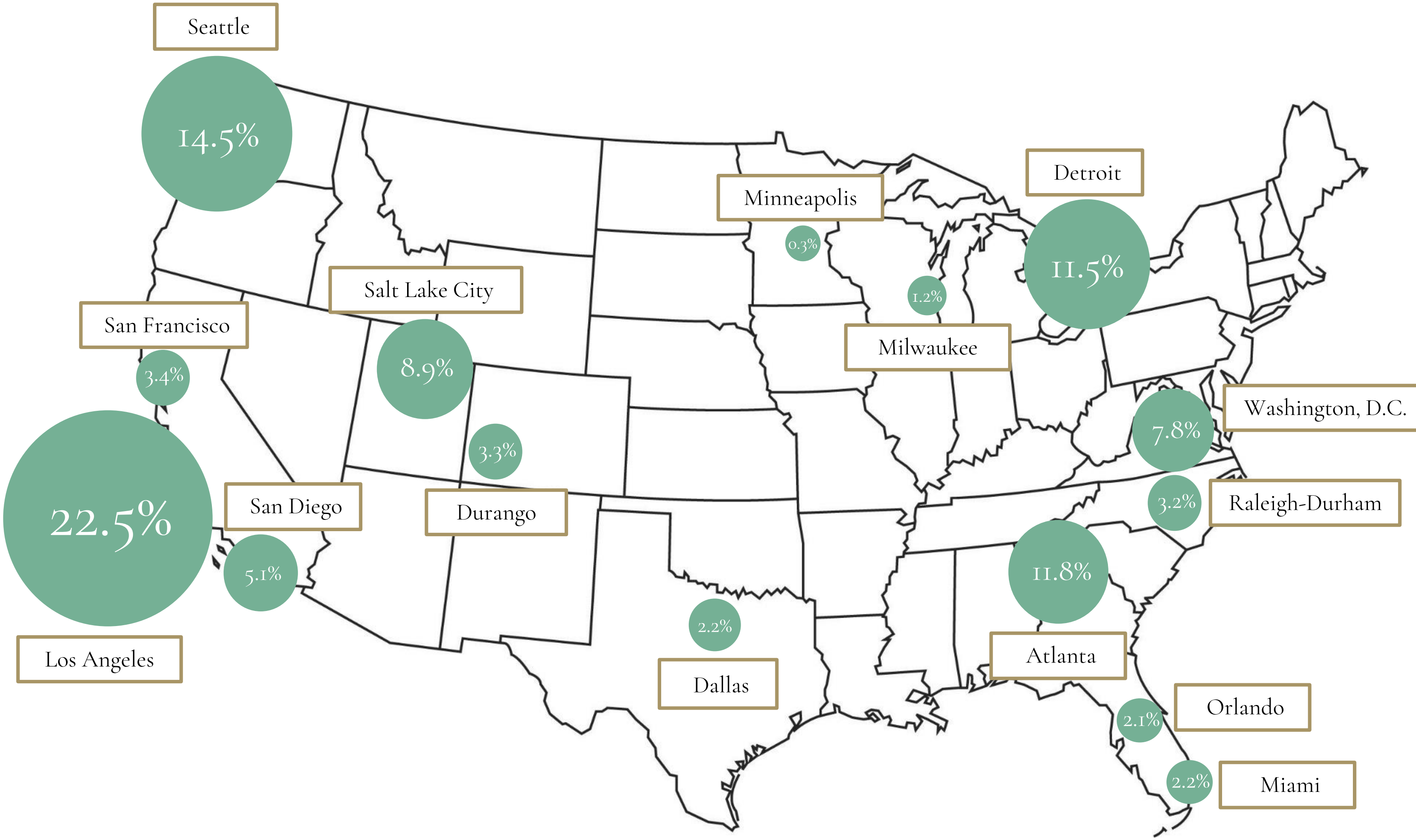
A SAFE Ground Lease™ on a Class A multifamily in the high-end Baldwin Park submarket of Orlando. The property is a 212-unit community with amenities and close access to shopping centers, office parks, and the Orlando Executive Airport.

Miami Airport 1 & 2

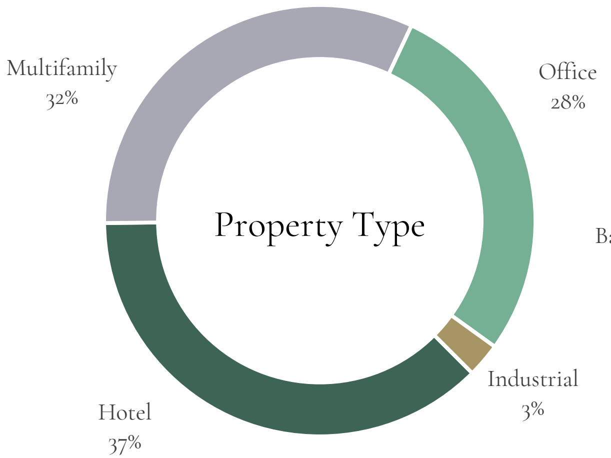
Miami, FL

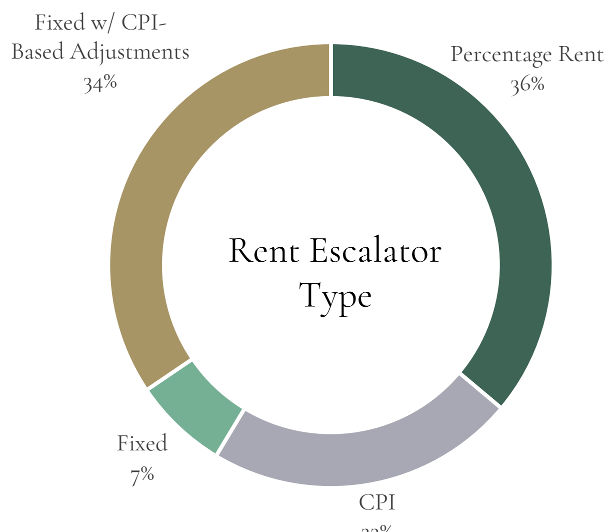
Two SAFE Ground Leases™ on adjoining industrial properties in Miami. The buildings are fully occupied by LSG Sky Chefs and adjacent to the Miami Airport Intermodal. SAFE purchased the ground leases and its client purchased the leaseholds on the properties from iStar.

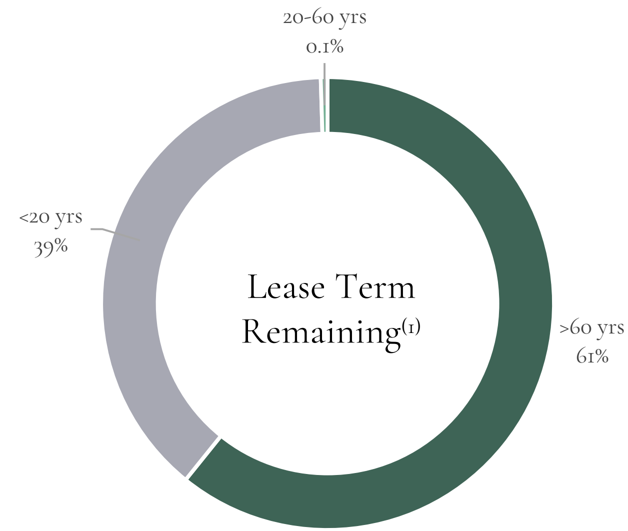
Geographic Diversification by MSA

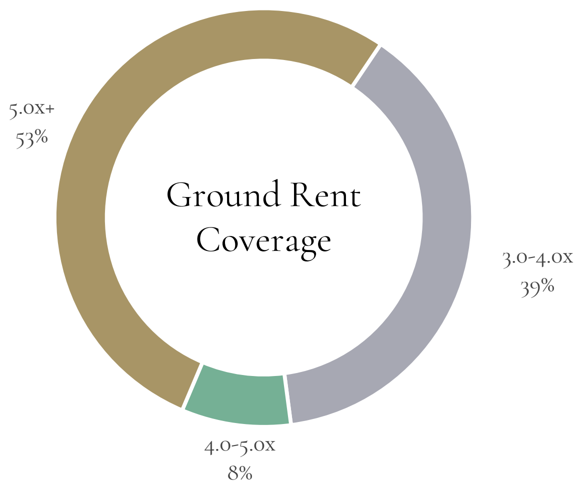


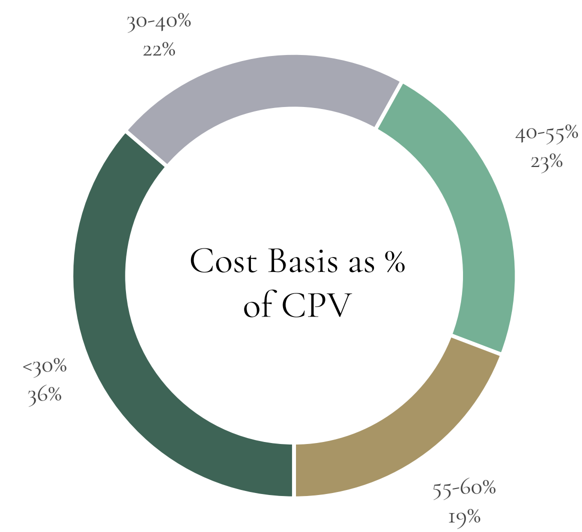
Portfolio Stratification











(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 *(including TTM % rent)*	$46.4M
Total Annualized Cash Rent as % of Cost Basis	4.7%
W.A. annualized contractual fixed rent escalations	1.8%(1)

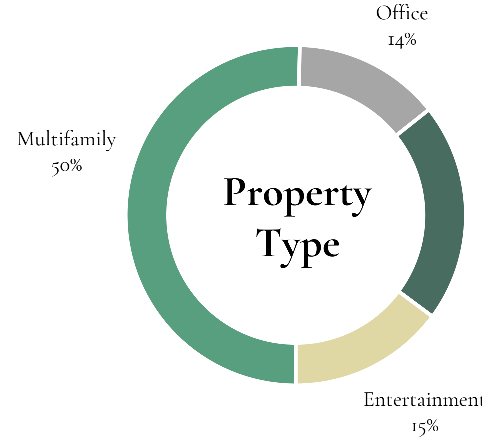
Portfolio Ground Lease Statistics

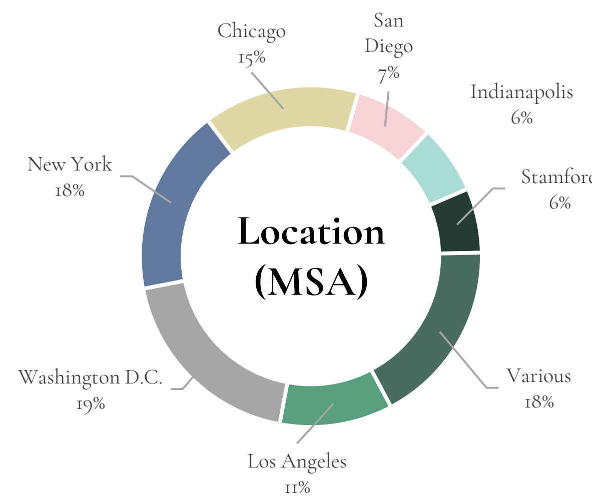
Cost Basis as % of CPV	33.4%
Ground Rent Coverage	4.7x
W.A. lease term remaining	59 years
W.A. lease term remaining including extensions	74 years
Total Cost Basis of Portfolio	$631M

(1) 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.

Pipeline (as of July 17)

$620M Near-Term Pipeline (19 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.

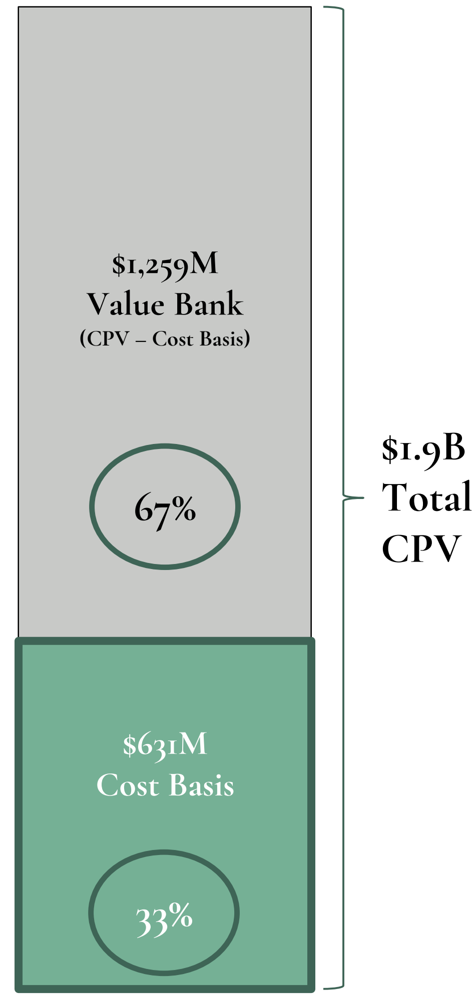
Value Bank of $1.3B or $69 per Share

- 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.(1)

$1,890M	Combined Property Value
- $631M	Cost Basis
$1,259M	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 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.

III. Capital Structure

Section 3 – Capital Structure

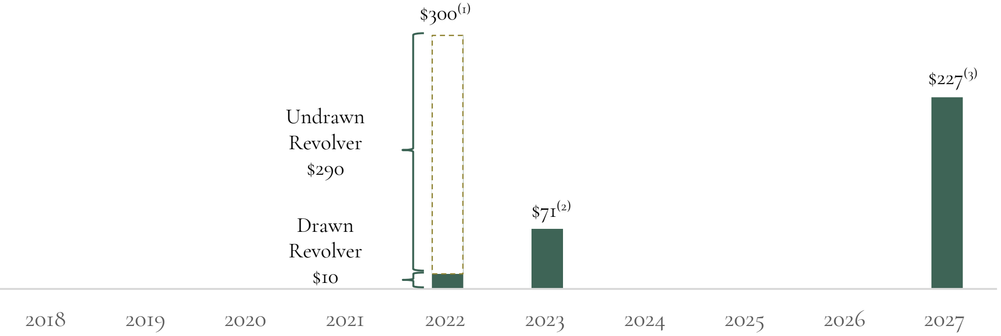
Debt Overview

As of June 30, 2018

Debt Profile (Effective Rate)		
2022		
Jun.[1]	$10	L+135
2023		
Jan.[2]	$71	3.04%
2027		
Apr.[3]	$227	3.77%
Total	**$308**	

Debt Maturity Profile

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

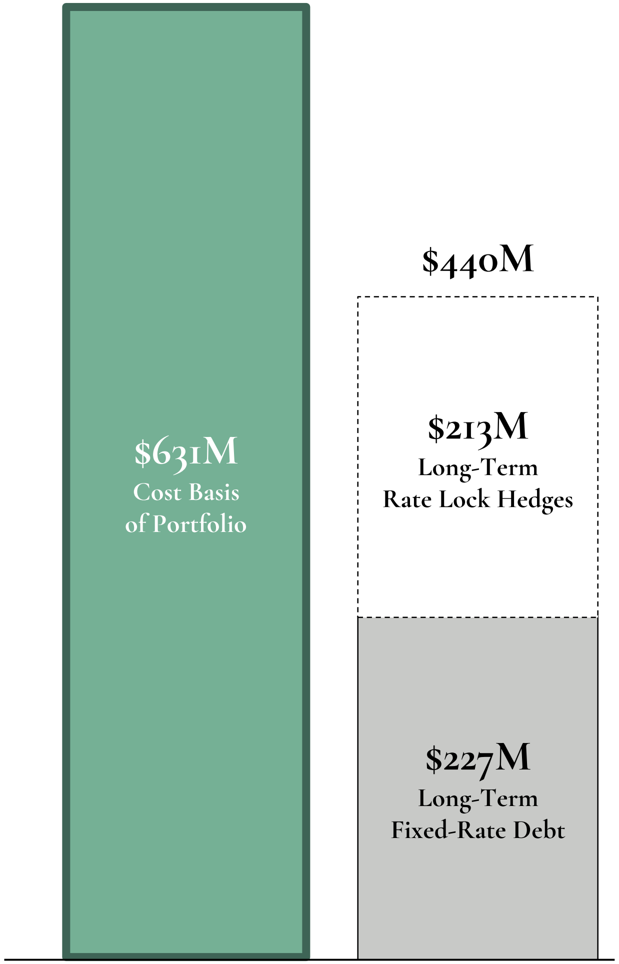
Book Debt	$308
Book Equity	$367
Leverage (Debt to Equity)	**0.8x**
Combined Property Value (CPV)	$1,890
Debt as a % of CPV	**16.3%**

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

As of June 30, 2018

- 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



Section 3 – Capital Structure

Balance Sheets

	As of June 30, 2018	As of March 31, 2018
Assets		
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[1]	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
Total assets	**$683,049**	**$678,420**
Liabilities and Equity		
Liabilities:		
Debt obligations, net	$307,276	$307,178
Accounts payable and other liabilities	7,401	7,585
Total liabilities	**$314,677**	**$314,763**
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
Total shareholders' equity	**$366,567**	**$361,884**
Non-controlling interests	1,805	1,773
Total equity	**$368,372**	**$363,657**
Total liabilities and equity	**$683,049**	**$678,420**

Note: $ in thousands.

(1) "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.

Appendix

Appendix

Cost Basis Reconciliation

	As of June 30, 2018
Real estate, net	**$ 477,203**
Add: Accumulated depreciation	7,255
Real estate, gross	**$ 484,458**
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
Cost Basis	**$ 630,586**

Note: $ in thousands.

EPS, FFO, & AFFO Reconciliation

	Trailing Twelve Months Ended June 30, 2018
Net income allocable to Safety, Income & Growth Inc. common shareholders	**$3,360**
Add: Real estate related depreciation and amortization	9,078
FFO allocable to Safety, Income & Growth Inc. common shareholders	**$12,438**

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
AFFO allocable to Safety, Income & Growth Inc. common shareholders	**$11,658**
Weighted avg. share count	**18,190**
Earnings per share	**$0.18**
FFO per share(1)	**$0.68**
AFFO per share(1)	**$0.64**

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

Appendix

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(1)†	Seattle, WA	Hospitality	2025 /2035	% Rent
Hilton Salt Lake†	Salt Lake City, UT	Hospitality	2025 / 2035	% Rent
Doubletree Mission Valley†	San Diego, CA	Hospitality	2025 / 2035	% Rent
Doubletree Durango†	Durango, CO	Hospitality	2025 /2035	% Rent
Doubletree Sonoma†	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
Weighted Avg.			**59 / 74 yrs**	

Note: Refer to the "Glossary" for definitions.

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

(1) 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.

Glossary

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.
Annualized Cash Rent	Calculated as the annualized in-place Cash Rent at quarter-end plus the trailing 12-month percentage rent received from Park Hotels.
Cash Rent	Represents ground lease income excluding straight-line rent and amortization of lease intangibles.
Cost Basis	Cost of real estate and real estate related intangibles.
Cost Basis as % of CPV	Calculated as Cost Basis divided by CPV. The Company believes the metric is an indicative measure of the safety of its position in a real estate property's capital structure and represents its last-dollar economic exposure to the underlying property values.
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.
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.
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.

Appendix

Glossary – *(cont'd)*

Ground Rent Coverage	The ratio of Underlying Property NOI or Estimated Underlying Property NOI to the annualized base rental payment due to SAFE. The Company believes the metric is indicative of its seniority in a property's cash flow waterfall. Underlying Property NOI is based on information reported to the Company by its tenants without any independent investigation or verification by SAFE.
Leverage	The ratio of book debt to book equity.
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 the ground lease. Net operating income is calculated as property-level revenues less property-level operating expenses as reported to the Company by the tenant, or as otherwise publicly available. The Company relies on net operating income as reported to it by its tenants without any independent investigation by SAFE, 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.
Value Bank	Calculated as the difference between CPV and Cost Basis. The Company believes Value Bank represents additional potential value to SAFE stockholders through the reversion rights embedded in standard ground leases.