

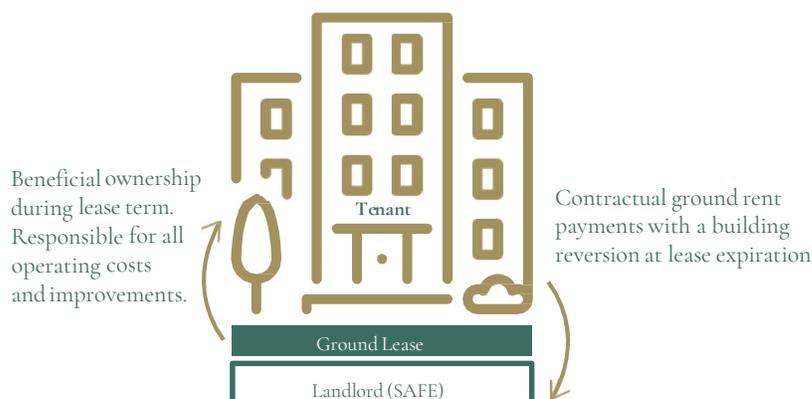


## The Company

Safety, Income & Growth Inc. (NYSE: SAFE) is the first publically traded company that focuses on owning a portfolio of ground lease investments. Ground leases provide principal safety, attractive risk adjusted returns, and inflation protected income and the opportunity for significant capital appreciation. By building a portfolio of diversified ground leases in major metropolitan areas, we seek to become the industry leader in ground lease investments. Our investment manager and largest shareholder, iStar Inc. (NYSE: STAR), brings more than two decades and over \$35 billion of real estate transaction expertise. With eight offices throughout the U.S. and nearly 200 professionals, iStar and its resources provide significant competitive advantages to Safety, Income & Growth.

## Ground Lease

A ground lease represents ownership of the land underlying a commercial real estate property, which in turn is leased on a long term basis by the landlord (SAFE) to a tenant that owns and operates the building on top of the land. The property is leased on a triple net basis with the tenant responsible for all operating costs and capital expenditures. At the end of the lease term, the building and all improvements typically revert back to SAFE for no additional consideration.



## Snapshot

- NYSE Ticker: SAFE
- IPO date: 6/21/2017
- Share Price (4/17/2018): \$17.85
- Shares Outstanding: 18.2M
- Market Cap: \$325M
- Dividend Yield: 3.4%
- # of Investments: 18
- Gross Assets: \$675M

## Investment Attributes

### Safety

Ground leases are one of the safest ways to invest in commercial real estate, since they occupy a senior part of the capital structure. In addition, our ground lease rent is senior in terms of the payment priority and well covered by the income of the property.

### Growing Income

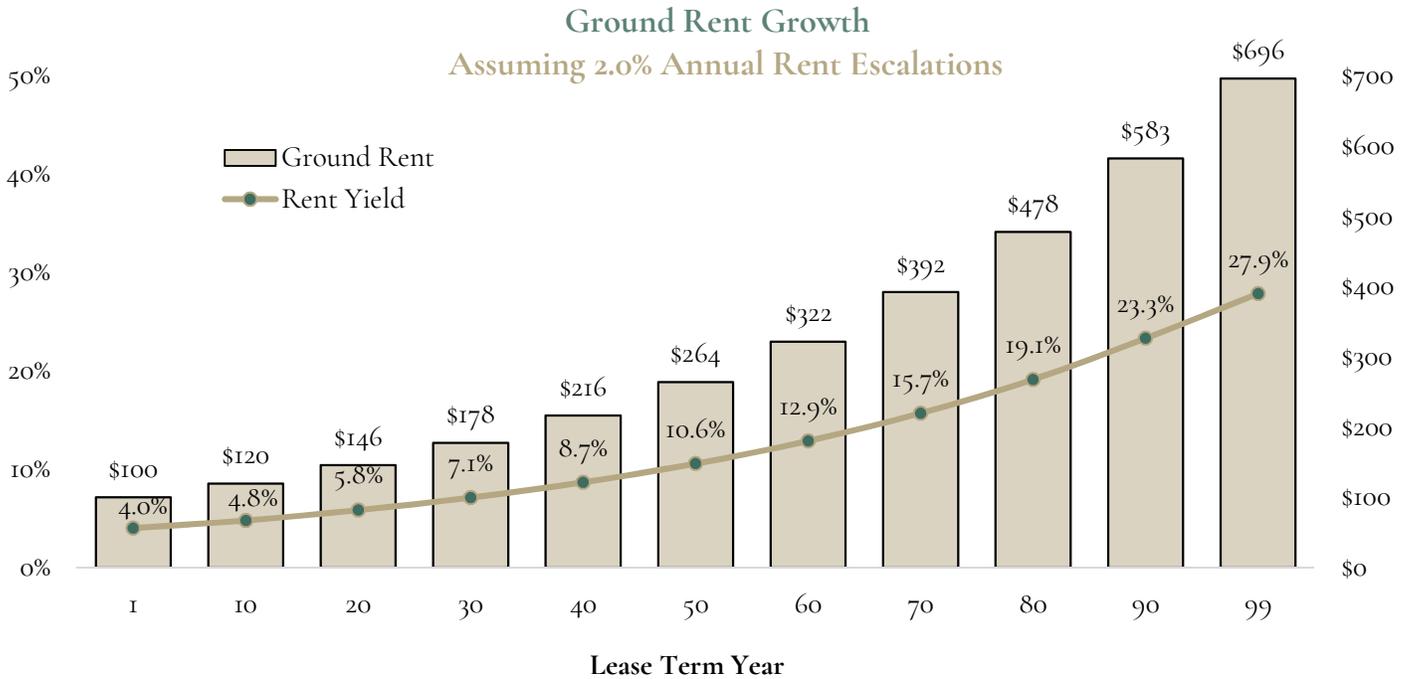
Our ground lease investments provide a secure and growing income stream with contractual rent escalators that compound over the duration of the lease.

### Capital Appreciation (Value Bank)

At the expiration of a ground lease, the building and all improvements typically revert back to SAFE. Since our initial investment was only in the cost of the ground, the value of the building less the historical purchase price of the land is what we refer to as the Value Bank. Under stable market conditions, Value Bank may grow significantly.

# Ground Leases Generate Growing Income

The power of long duration, cash on cash compounding income growth is presented in the chart below. This illustrative example shows how an initial rent of \$100 that escalates at 2.0% annually grows nearly 600% over the lease term.



## Opportunities for Expansion & Growth with Ground Leases



The potential ground lease market opportunity is significant as SAFE is seeking to reinvent how ground leases are utilized in today's commercial real estate market. While the evolution of real estate finance has become more sophisticated through the years, ground lease investment strategies have remained virtually unchanged with no institutional platforms dedicated to innovation. SAFE's custom tailored ground leases are a more efficient way for real estate owners and developers to capitalize their projects. A modern, SAFE ground lease can be part of the capital structure of almost any property within the \$7 trillion+ commercial real estate industry and ultimately should become mainstream in the commercial real estate market.