
JBG SMITH
INVESTOR DAY
SPRING 2019
Illustrative National Landing (North District)

DISCLOSURES

FORWARD-LOOKING STATEMENTS

Certain statements contained herein may constitute "forward-looking statements" as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are not guarantees of performance. They represent our intentions, plans, expectations and beliefs and are subject to numerous assumptions, risks and uncertainties. Consequently, the future results of JBG SMITH Properties ("JBG SMITH" or the "Company") may differ materially from those expressed in these forward-looking statements. You can find many of these statements by looking for words such as "approximate", "hypothetical", "potential", "believes", "expects", "anticipates", "estimates", "intends", "plans", "would", "may" or similar expressions in this Investor Presentation. We also note the following forward-looking statements: our potential NOI growth and the assumptions on which such growth is premised, our estimated future leverage (Debt/EBITDA) profile, the potential effect of Amazon on job growth, rent growth and cap rates in the Washington, DC metropolitan area and National Landing, in particular, our anticipated dispositions and 1031 exchanges, and annualized net operating income; in the case of our construction assets, estimated square feet, estimated number of units, weighted average targeted NOI yield, NOI yield or estimated total project cost, estimated total NOI weighted average completion date, weighted average stabilization date and estimated incremental investment, intended type of asset use and potential tenants, and in the case of our future development assets, estimated potential development density; expected key Amazon transaction terms, our anticipated role as developer, property manager and retail leasing agent in connection with Amazon HQ2, planned infrastructure and education improvements related to Amazon HQ2; the economic impacts of Amazon HQ2 on the DC region and National Landing; our development plans related to Amazon HQ2; the expected accretion to our NAV as a result of the Amazon transaction and our future NAV growth rate; in the case of our Amazon lease transaction and our new development opportunities in National Landing, the total square feet to be leased to Amazon and the expected net effective rent, estimated square feet, estimated number of units, the estimated construction start and occupancy dates, estimated incremental investment, targeted NOI yield; and in the case of our future development opportunities, estimated potential development density. Many of the factors that will determine the outcome of these and our other forward-looking statements are beyond our ability to control or predict. These factors include, among others: adverse economic conditions in the Washington, DC metropolitan area, the timing of and costs associated with development and property improvements, financing commitments, and general competitive factors. For further discussion of factors that could materially affect the outcome of our forward-looking statements and other risks and uncertainties, see "Risk Factors" and the Cautionary Statement Concerning Forward-Looking Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2018 and other periodic reports the Company files with the Securities and Exchange Commission. For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on our forward-looking statements. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We do not undertake any obligation to release publicly any revisions to our forward-looking statements after the date hereof.

PRO RATA INFORMATION

We present certain financial information and metrics in this release "at JBG SMITH Share," which refers to our ownership percentage of consolidated and unconsolidated assets in real estate ventures (collectively, "real estate ventures") as applied to these financial measures and metrics. Financial information "at JBG SMITH Share" is calculated on an asset-by-asset basis by applying our percentage economic interest to each applicable line item of that asset's financial information. "At JBG SMITH Share" information, which we also refer to as being "at share," "our pro rata share" or "our share," is not, and is not intended to be, a presentation in accordance with GAAP. Given that a substantial portion of our assets are held through real estate ventures, we believe this form of presentation, which presents our economic interests in the partially owned entities, provides investors valuable information regarding a significant component of our portfolio, its composition, performance and capitalization.

We do not control the unconsolidated real estate ventures and do not have a legal claim to our co-venturers' share of assets, liabilities, revenue and expenses. The operating agreements of the unconsolidated real estate ventures generally allow each co-venturer to receive cash distributions to the extent there is available cash from operations. The amount of cash each investor receives is based upon specific provisions of each operating agreement and varies depending on certain factors including the amount of capital contributed by each investor and whether any investors are entitled to preferential distributions

DISCLOSURES

With respect to any such third-party arrangement, we would not be in a position to exercise sole decision-making authority regarding the property, real estate venture or other entity, and may, under certain circumstances, be exposed to economic risks not present were a third party not involved. We and our respective co-venturers may each have the right to trigger a buy-sell or forced sale arrangement, which could cause us to sell our interest, or acquire our co-venturers' interests, or to sell the underlying asset, either on unfavorable terms or at a time when we otherwise would not have initiated such a transaction. Our real estate ventures may be subject to debt, and the repayment or refinancing of such debt may require equity capital calls. To the extent our co-venturers do not meet their obligations to us or our real estate ventures or they act inconsistently with the interests of the real estate venture, we may be adversely affected. Because of these limitations, the non-GAAP "at JBG SMITH Share" financial information should not be considered in isolation or as a substitute for our financial statements as reported under GAAP.

All other information shown as of December 31, 2018 and all data shown at JBG SMITH's share, unless otherwise noted.

MARKET DATA

Market data and industry forecasts are used in this Investor Presentation, including data obtained from publicly available sources. These sources generally state that the information they provide has been obtained from sources believed to be the reliable, but the accuracy and completeness of the information is not assured. The Company has not independently verified any such information.

DEFINITIONS AND RECONCILIATIONS

For certain definitions and reconciliations see pages 57-62.

Information herein with respect to the proposed transaction with Amazon is based on executed leases and purchase and sale agreements between us and Amazon. Closing under these agreements is subject to customary closing conditions.

AGENDA

1 HIGHLIGHTS

2 STRATEGY

3 2018 ACCOMPLISHMENTS

4 STATE OF THE MARKET

5 GROWTH AND CAPITALIZATION

INTRODUCTION OF SPEAKERS



Matt Kelly
Chief Executive Officer



David Paul
Chief Operating Officer



Kai Reynolds
Chief Development Officer



Steve Theriot
Chief Financial Officer



Moina Banerjee
Head of Capital Markets



George Xanders
Co-Head of Acquisitions



Evan Regan-Levine
Strategic Innovation and Research

HIGHLIGHTS

HIGHLIGHTS: JBG SMITH AT A GLANCE

OPERATING PORTFOLIO

COMMERCIAL SF
11.3M

MULTIFAMILY UNITS
4,531

ANNUALIZED NOI
$342M

UNDER CONSTRUCTION

COMMERCIAL SF
927K

MULTIFAMILY UNITS
1,298

WEIGHTED AVERAGE LEASE TERM
6.2 YEARS

FUTURE DEVELOPMENT PIPELINE

COMMERCIAL SF
10.1M

MULTIFAMILY SF
9.5M

METRO SERVED
OVER 98%



TOTAL ENTERPRISE VALUE[(1)]
$7.7B

WALK SCORE
82

NET DEBT/ANNUALIZED ADJUSTED EBITDA
6.5x

NET DEBT/TOTAL ENTERPRISE VALUE[(1)]
27.9%

(1) Based on $40.47 closing price per share on March 25, 2019.



STRATEGY

STRATEGY: SUMMARY



SUBMARKET CONCENTRATION

Invested in high growth urban submarkets in Washington, DC Metro Area



HIGH-GROWTH ASSETS

Own and operate high risk-adjusted return assets, with emphasis on multifamily over the longer term



PROVEN DEVELOPMENT EXPERTISE

Mixed-use operator with track record of value creation in development and redevelopment

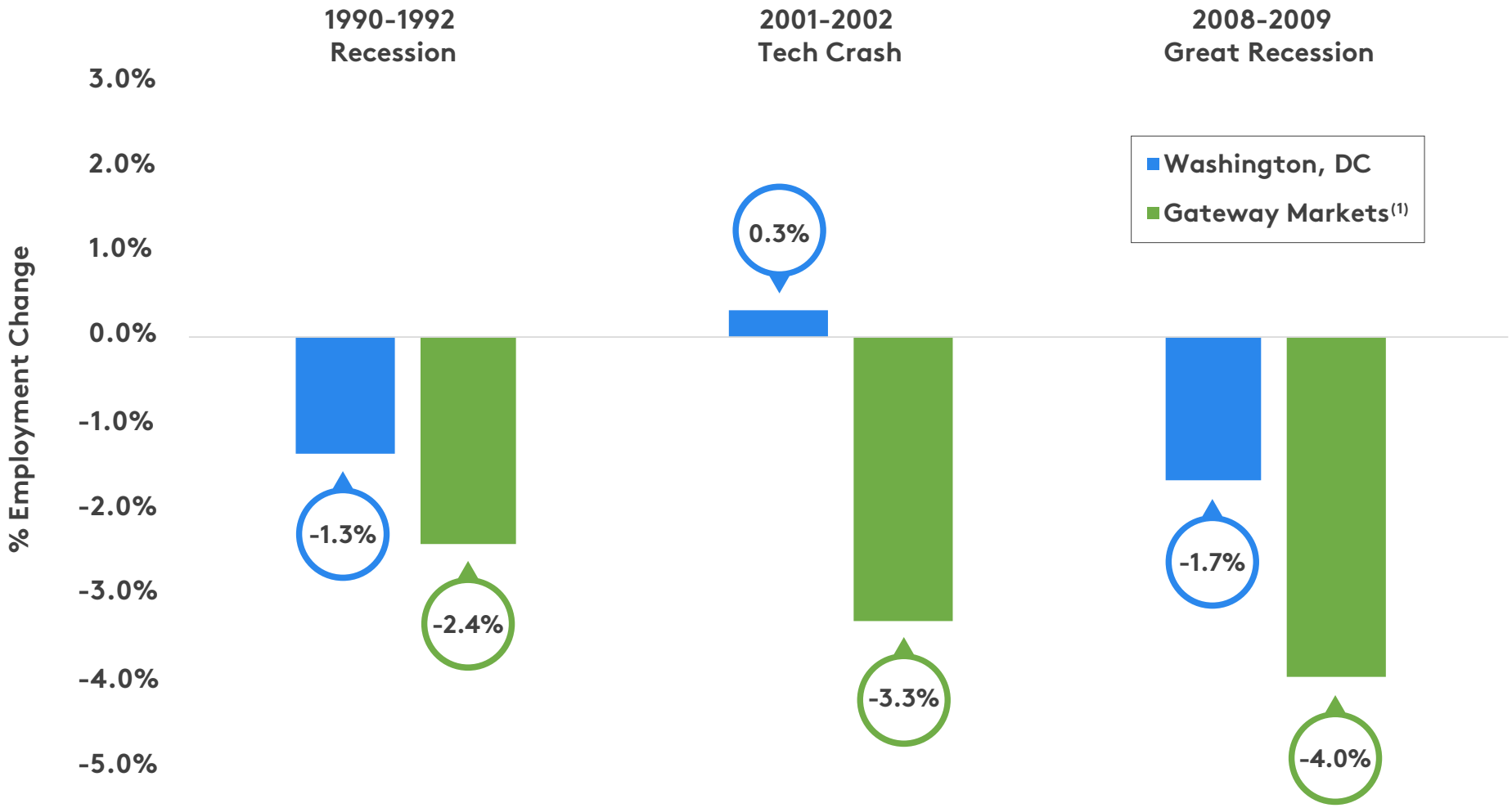


DISCIPLINED CAPITAL ALLOCATOR

Demonstrated capital allocation discipline to maximize value and mitigate downside risk

STRATEGY: WASHINGTON, DC METRO AREA

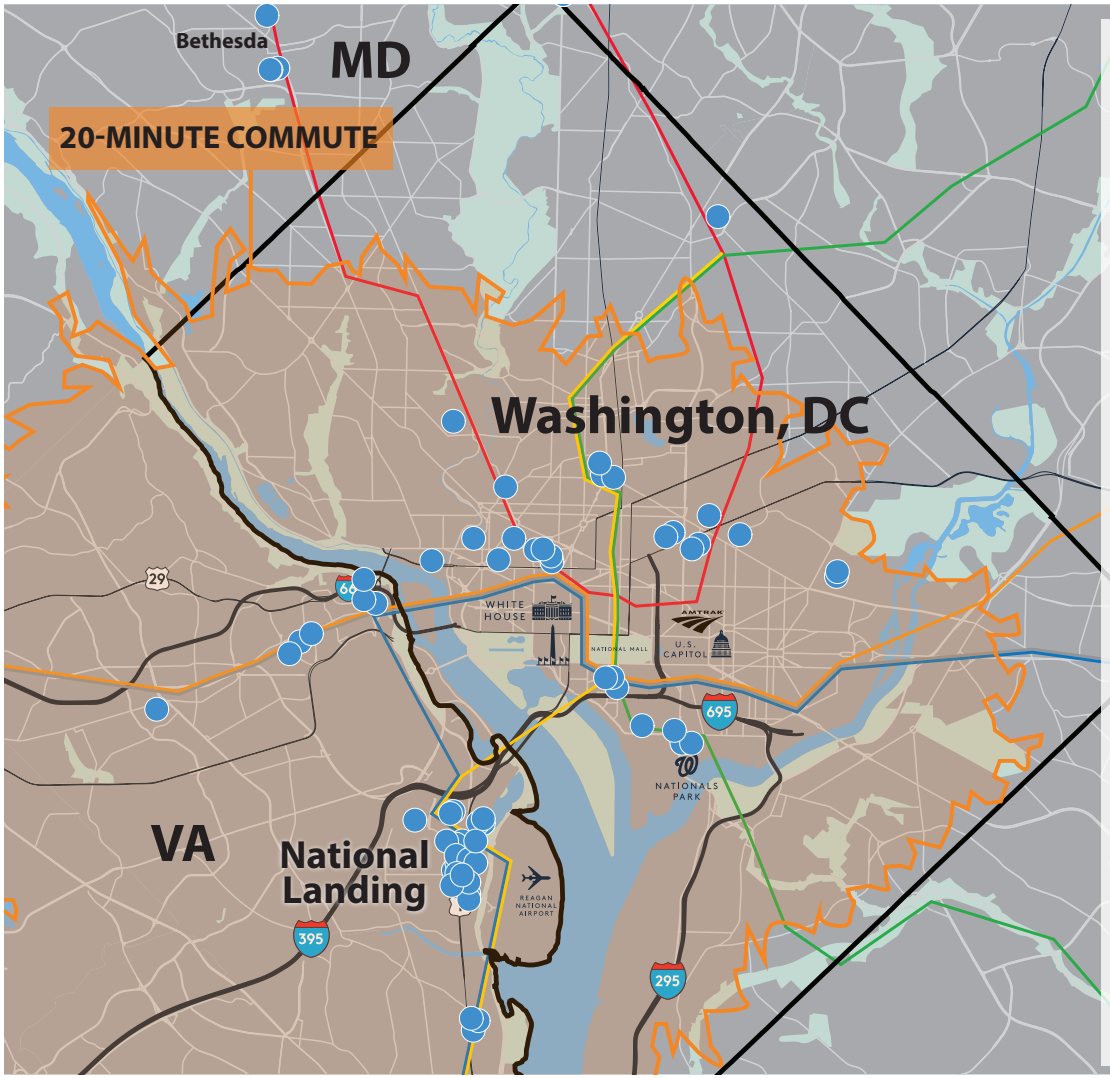
DC IS MORE RECESSION-RESILIENT THAN OTHER GATEWAY MARKETS, WITH FUTURE GROWTH LIKELY TO BE TURBOCHARGED BY AMAZON



Source: JLL
(1) Gateway markets include New York City, Boston, and San Francisco.

STRATEGY: SUBMARKET CONCENTRATION

CONCENTRATION OF HIGH-GROWTH ASSETS IN THE BEST SUBMARKETS



NORTHERN VIRGINIA

NATIONAL LANDING	RESTON	RB CORRIDOR
55%	12%	5%

WASHINGTON, DC

DC EMERGING	DC MATURE
16%	5%

MARYLAND

BETHESDA CBD	OTHER MD
2%	5%

80%

OF PORTFOLIO WITHIN 20-MINUTE COMMUTE[(1)] OF NATIONAL LANDING

Note: Geographic composition includes square footage of Operating, Under Construction, and Future Development Pipeline assets.
(1) 20-minute commute calculated on a Monday morning to National Landing.

STRATEGY: COMMON SUBMARKET CHARACTERISTICS

OUTPERFORMING SUBMARKETS HAVE SHARED CHARACTERISTICS









WALKABLE AMENITY BASE

Restaurants, theaters, and shops attract both office tenants and multifamily renters

\+

TRANSIT ACCESS

Metro or commuter rail access is required

\+

DIVERSITY OF OFFERINGS

A balanced mix of office and residential sustains 18-hour retail environments

=

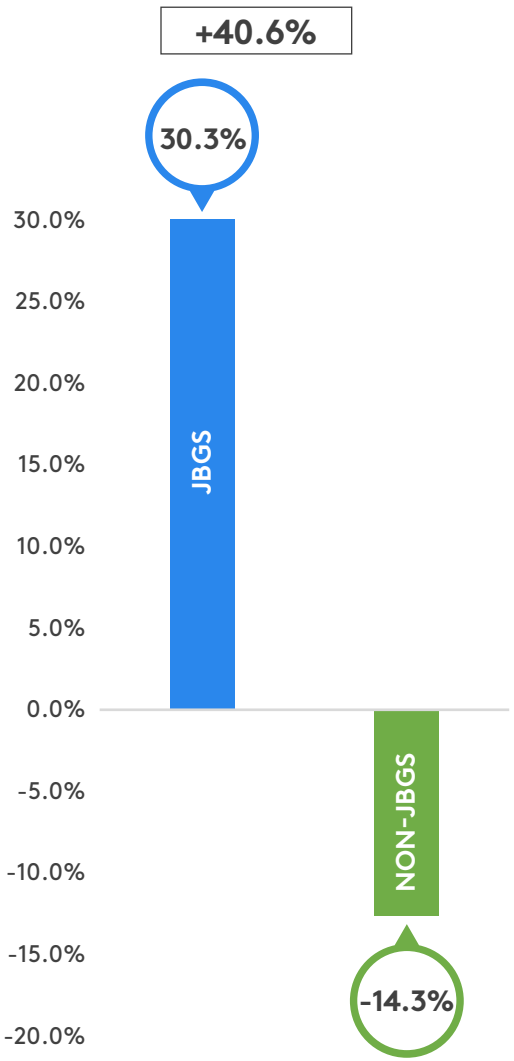
FUTURE DEMAND POTENTIAL

"Path of growth" locations driven by demographic or economic drivers

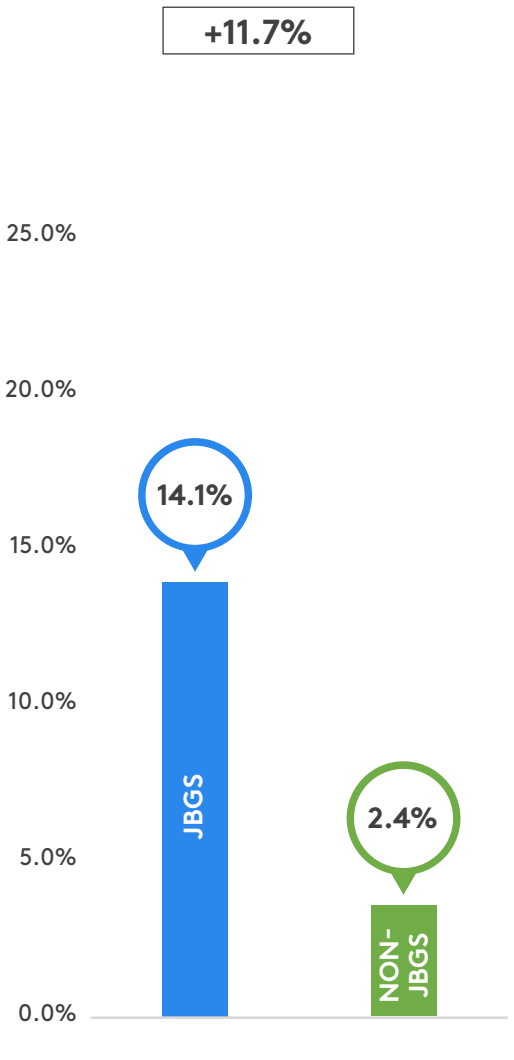
STRATEGY: JBG SMITH OFFICE SUBMARKETS

RENT GROWTH AND OCCUPANCY IN OUR OFFICE SUBMARKETS OUTPERFORM OTHER SUBMARKETS

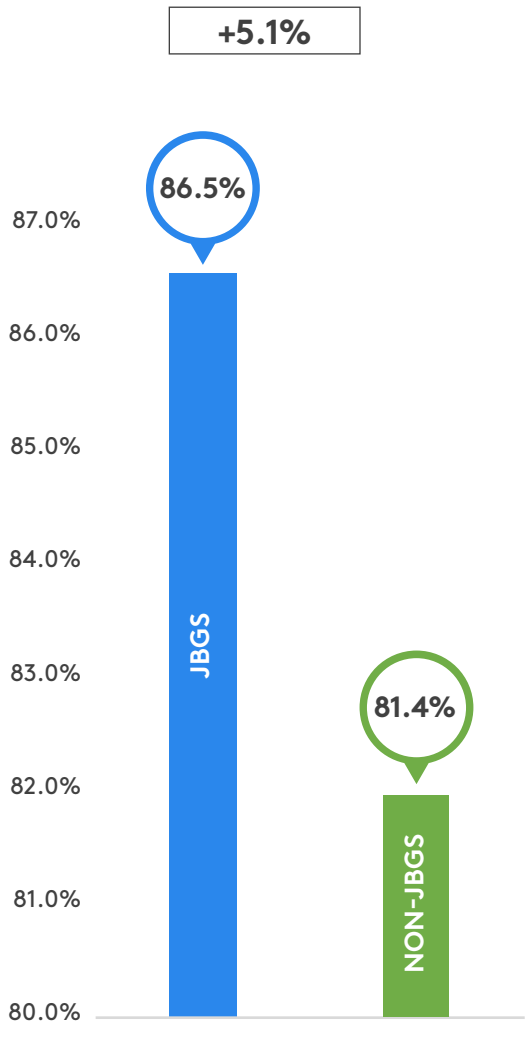
2018 ASKING RENTS RELATIVE TO MARKET



2008-2018 ASKING RENT GROWTH



2008-2018 AVERAGE OCCUPANCY

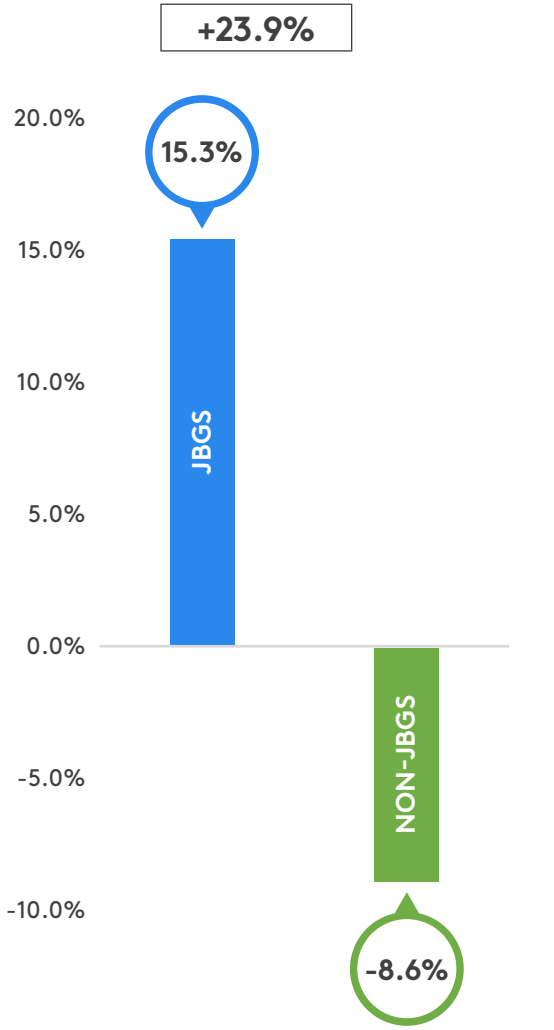


Source: JLL

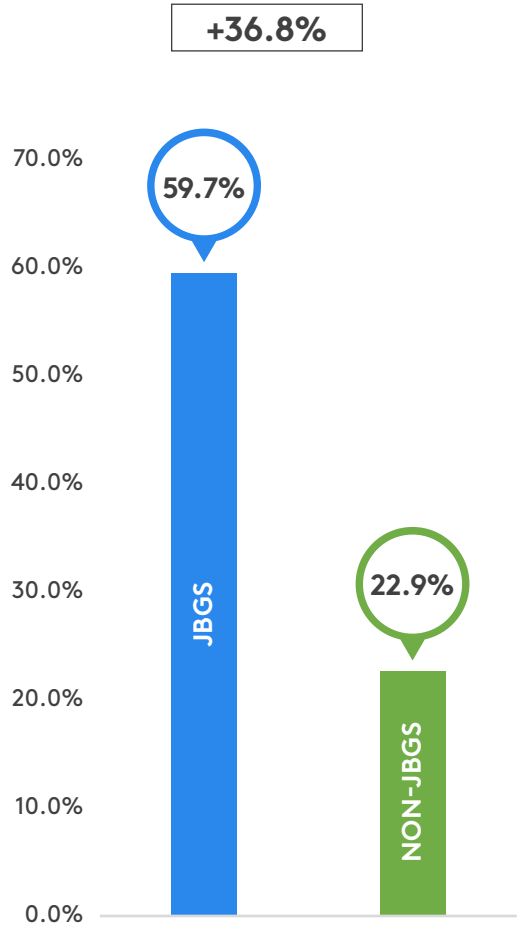
STRATEGY: JBG SMITH MULTIFAMILY SUBMARKETS

RENT GROWTH AND NET ABSORPTION IN OUR MULTIFAMILY SUBMARKETS OUTPERFORM OTHER SUBMARKETS

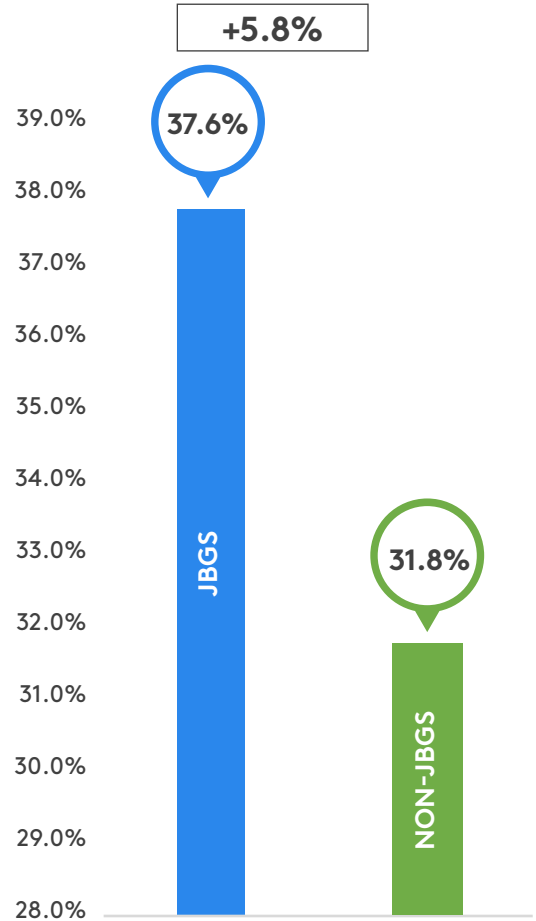
2018 ASKING RENTS RELATIVE TO MARKET



2008-2018 ASKING RENT GROWTH



2008-2018 NET ABSORPTION AS % OF STARTING INVENTORY



Source: JLL

STRATEGY: VALUE CREATION FOCUS

EVERY DECISION IS EVALUATED THROUGH THE LENS OF MAXIMIZING LONG-TERM NET ASSET VALUE (NAV) PER SHARE



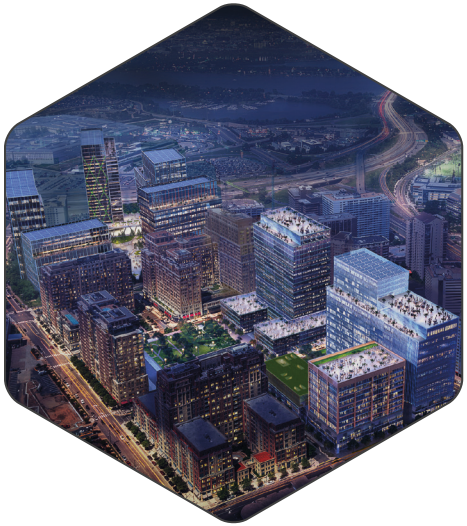
SELL DISCIPLINE



TACTICAL LEASING



OPPORTUNISTIC DEVELOPMENT



MONETIZATION OF FUTURE DEVELOPMENT PIPELINE

2018 ACCOMPLISHMENTS

2018 ACCOMPLISHMENTS: THE HIGHLIGHTS


CEB Tower at Central Place

1. Pursued and won Amazon HQ2
2. Strengthened balance sheet by exceeding capital allocation and recycling goals
3. Improved profile of our Commercial Operating Portfolio
4. Accelerated monetization of Under Construction assets and Future Development Pipeline
5. Strengthened ESG practices throughout organization

2018 ACCOMPLISHMENTS: AMAZON HQ2 OVERVIEW

$4.3B OF COMMITTED THIRD-PARTY INVESTMENT IN AND AROUND NATIONAL LANDING



KEY TRANSACTION TERMS

Lease 537K SF of space at $35 Net Effective Rent (NER)

Purchase 4.1M SF of land for $294M

Developer, property manager, and retail leasing agent



SIGNIFICANT CONCENTRATION IN NATIONAL LANDING

6.1M SF of existing operating commercial space (71.0% of market)[1]

2,850 units of operating multifamily (20.5% of market)

381K SF of under construction commercial space

6.9M SF Future Development Pipeline (65% of market)[2]



SUBSTANTIAL COMMITTED THIRD-PARTY INVESTMENT

$875M infrastructure investment led by state and local government

$925M education investment led by state and local universities

$2.5B Amazon investment

(1) Excludes 0.3M SF at Crystal City Marriott.
(2) Excludes 4.1M SF of Estimated Potential Density that Amazon has agreed to purchase from JBG SMITH.

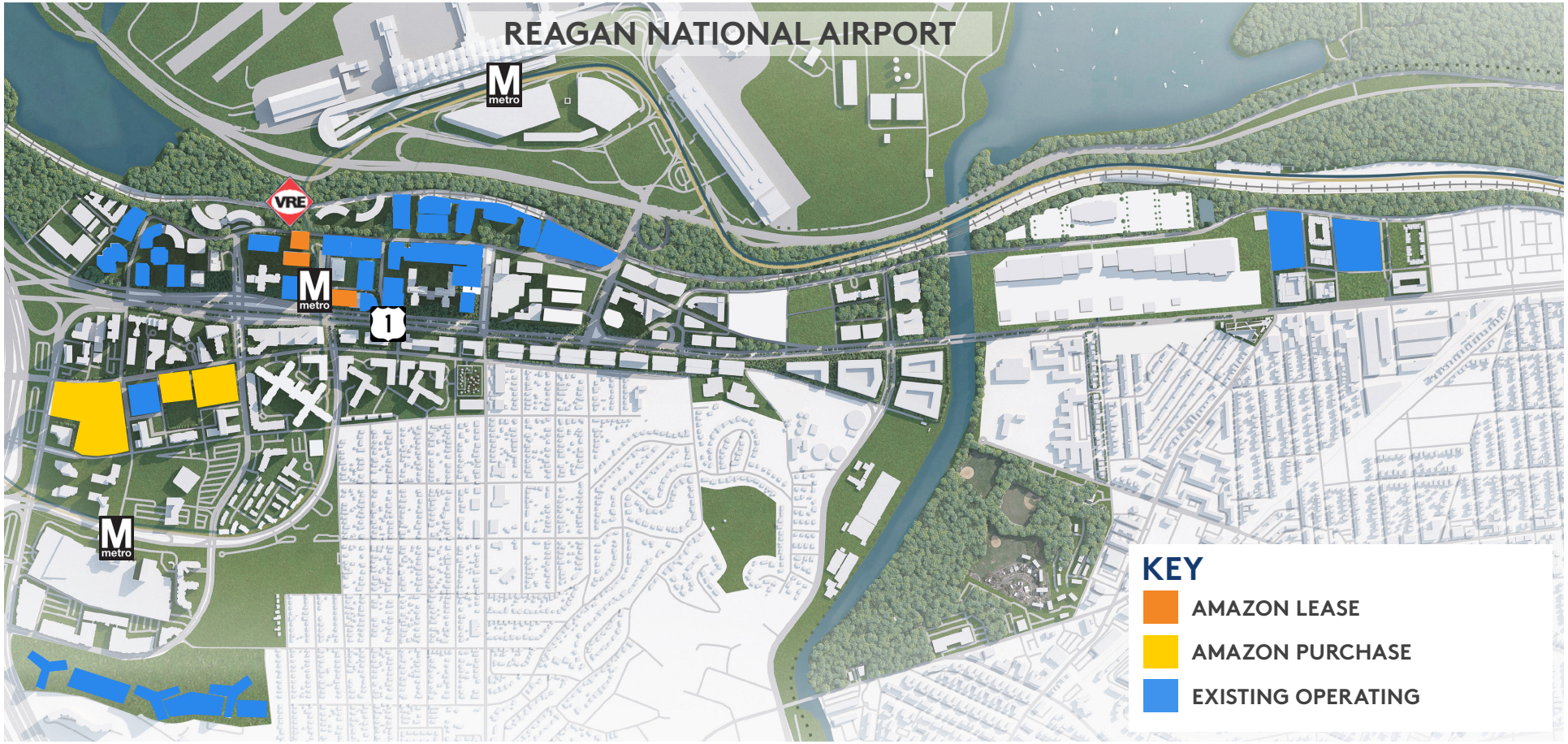
2018 ACCOMPLISHMENTS: AMAZON HQ2 SITES

AMAZON LEASE

537K SF AT $35 NER

AMAZON PURCHASE

4.1M SF FOR $294M



JBG SMITH IS DEVELOPER, PROPERTY MANAGER, AND RETAIL LEASING AGENT

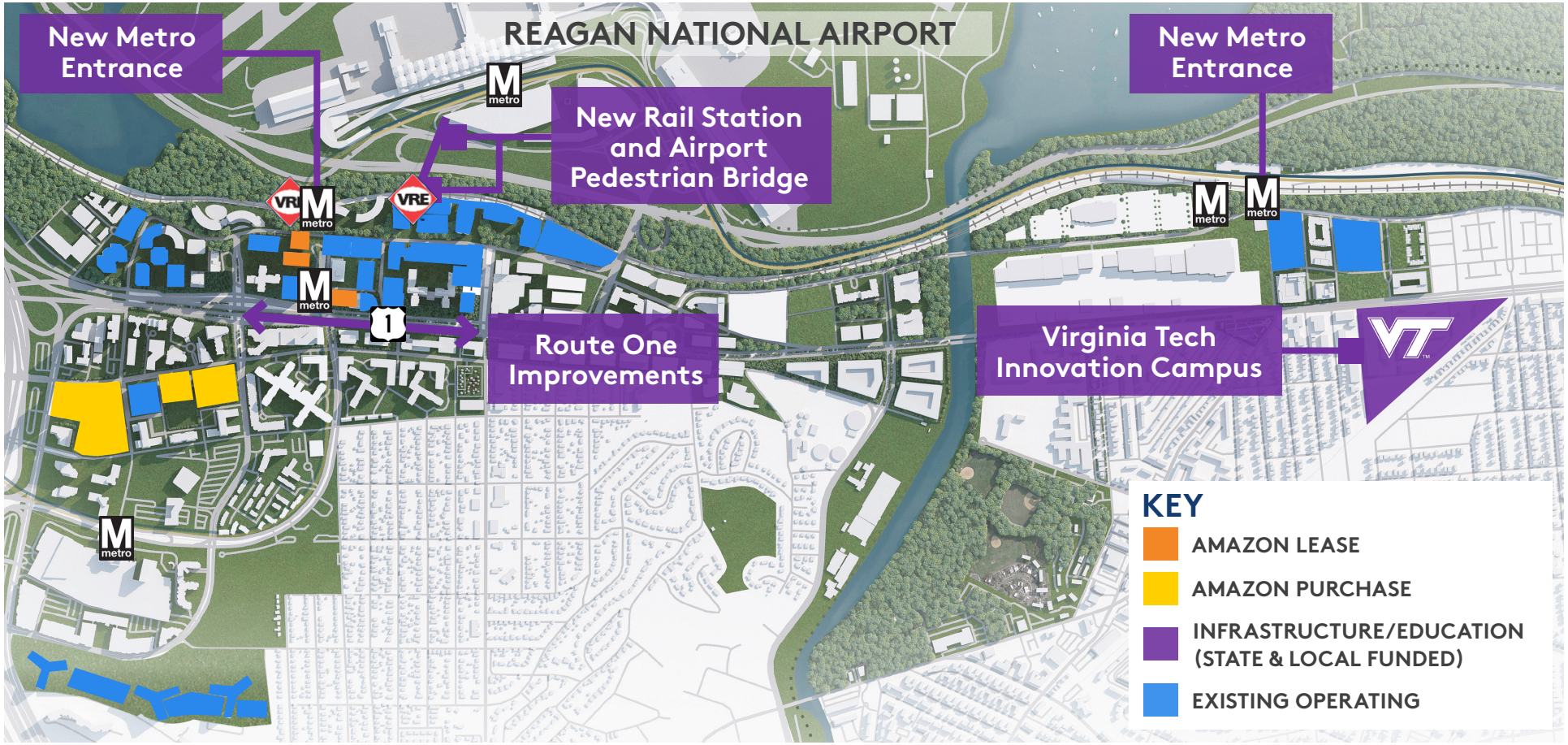
2018 ACCOMPLISHMENTS:
AMAZON HQ2 STATE AND LOCAL INFRASTRUCTURE/EDUCATION PROJECTS

INFRASTRUCTURE INVESTMENT

$875M

EDUCATION INVESTMENT

$925M



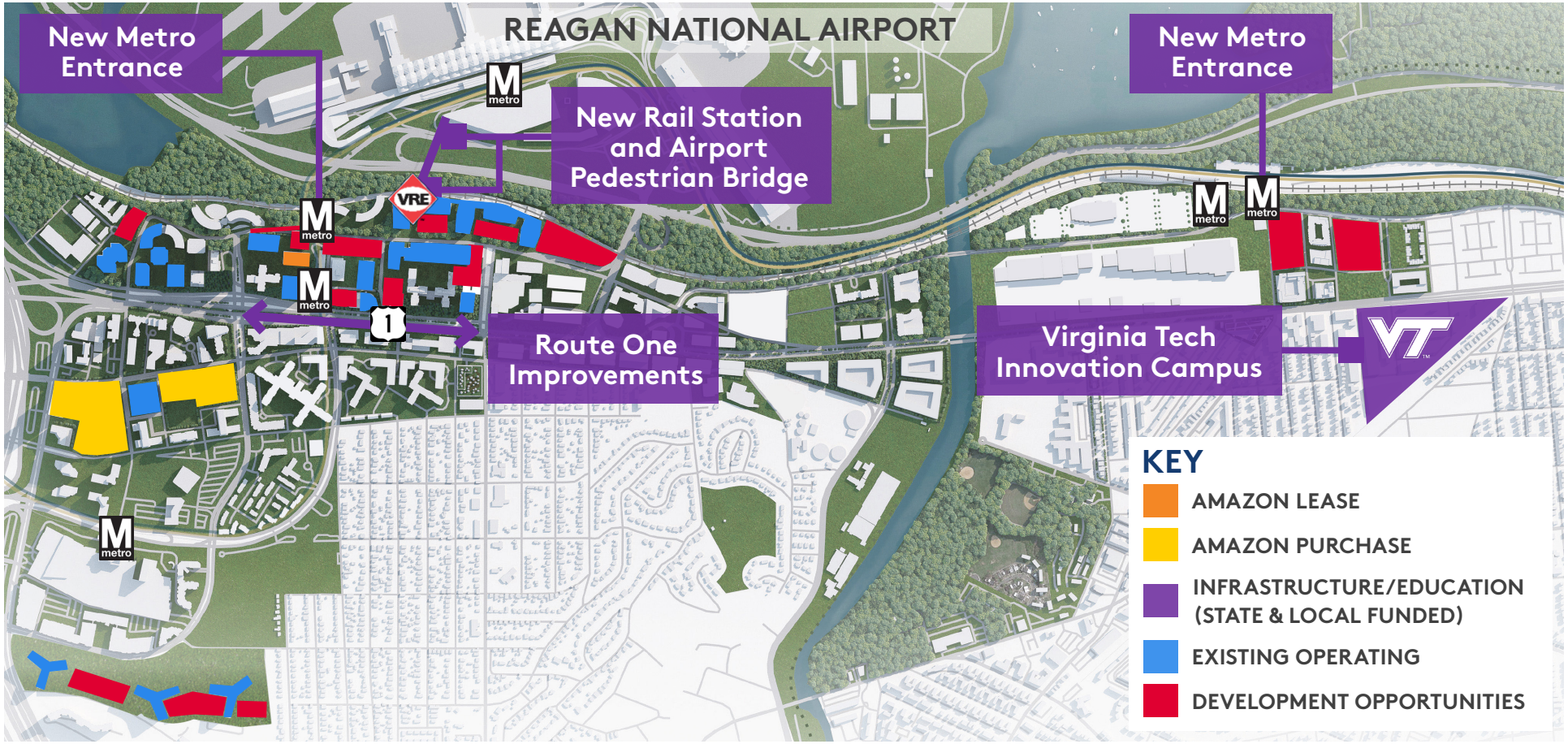
2018 ACCOMPLISHMENTS:
NATIONAL LANDING DEVELOPMENT OPPORTUNITIES

UNDER CONSTRUCTION ASSETS

CENTRAL DISTRICT RETAIL
109K SF

1770 CRYSTAL DRIVE
272K SF

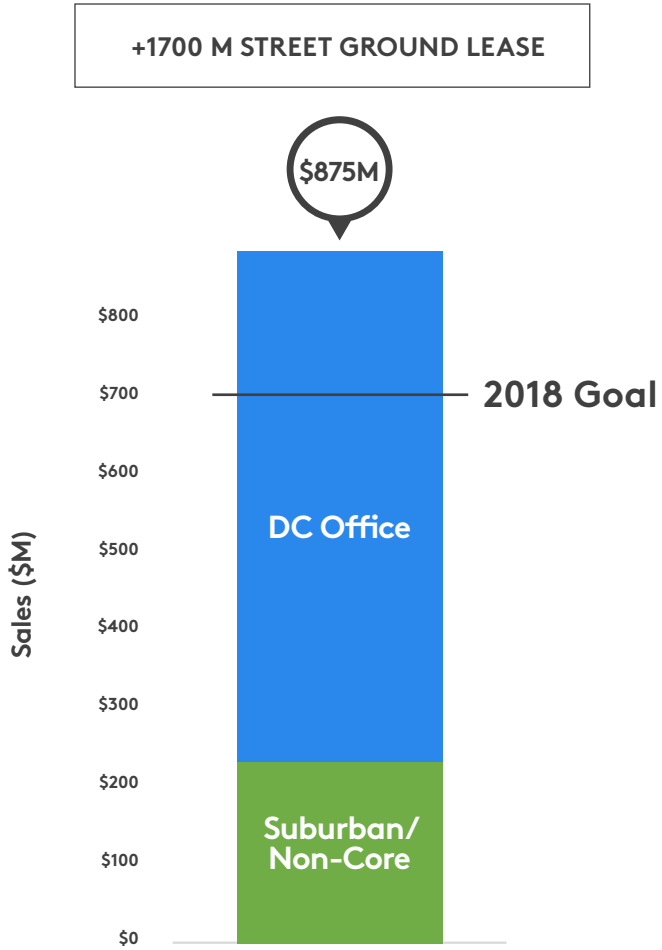
FUTURE DEVELOPMENT PIPELINE
6.9M SF[(1)]



(1) Excludes 4.1M SF of Estimated Potential Development Density that Amazon has agreed to purchase from JBG SMITH.

2018 ACCOMPLISHMENTS: CAPITAL RECYCLING

SOLD OR RECAPITALIZED $875M[(1)] OF ASSETS AND GROUND LEASED 1700 M STREET



1. Capitalized on market conditions
2. Reduced lower yielding DC office exposure
3. Redeployed proceeds into higher yielding development
4. Set 2019 goal of $400M

ASSETS SOLD WERE EXPECTED TO GENERATE A 5-YEAR STABILIZED YIELD OF 4.5%-5.0%

(1) Includes Commerce Executive, which was under firm contract as of December 31, 2018 and closed in February 2019.

2018 ACCOMPLISHMENTS: UNDER CONSTRUCTION OPPORTUNITIES

ALL NINE UNDER CONSTRUCTION ASSETS ARE ON SCHEDULE AND ON BUDGET, WITH GUARANTEED MAXIMUM PRICE CONTRACTS IN PLACE

COMMERCIAL ASSETS	SQUARE FEET	COMMERCIAL PRE-LEASED	MULTIFAMILY ASSETS	UNITS
5	927K	80.9%[(1)]	4	1,298



ESTIMATED INCREMENTAL INVESTMENT

$519M

WEIGHTED AVERAGE TARGETED NOI YIELD ON ESTIMATED TOTAL PROJECT COST

6.4%

ESTIMATED STABILIZED NOI

$74.2M

COMMERCIAL	MULTIFAMILY
49%	51%

(1) Includes leases executed through March 25, 2019.

2018 ACCOMPLISHMENTS: PORTFOLIO METRICS

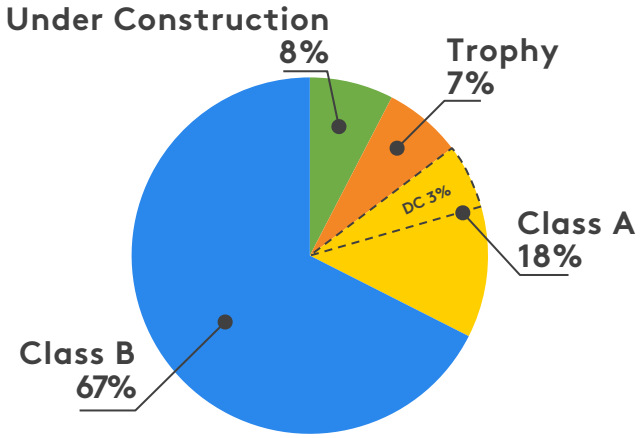
	YE 2017	YE 2018
COMMERCIAL	12.1M SF	11.3M SF
NUMBER OF COMMERCIAL ASSETS	54	46
DC COMMODITY CLASS A EXPOSURE(1)	7.3%	3.3%
% LEASED	88.0%	89.6%
EXPOSURE TO DC COMMODITY CLASS A ROLLOVER THROUGH 2021	430K SF	138K SF
TROPHY SF AVAILABLE(1)	484K SF	187K SF
MULTIFAMILY	4,232 units	4,531 units
NUMBER OF ASSETS	15	16
% LEASED	95.7%	95.7%

(1) Based on Operating and Under Construction SF.

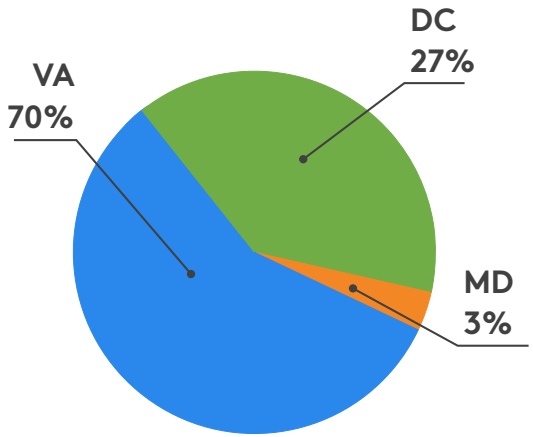
2018 ACCOMPLISHMENTS: COMMERCIAL PERFORMANCE AND TRENDS

FOCUS ON RISK MITIGATION IN DC AND POSITIONING PORTFOLIO FOR GROWTH IN NATIONAL LANDING

COMMERCIAL PORTFOLIO MIX[(1)]



COMMERCIAL NOI BY REGION

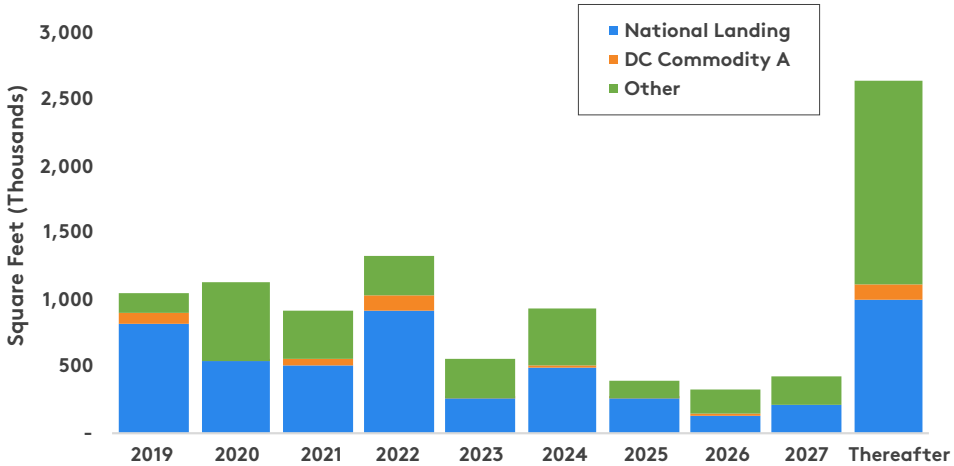


- Generated $261.5M of Annualized NOI in Q4 2018 versus $290.3M in Q4 2017
- YTD same store NOI increased 0.1%
- Q4 2018 same store NOI decreased 10.6%
- Capital recycling and early blend-and-extend renewals impacted NOI

LEASE EXPIRATION SCHEDULE

Weighted Average Annual % Expiring Over Next 5 Years–10%

Weighted Average Lease Term–6.2 years

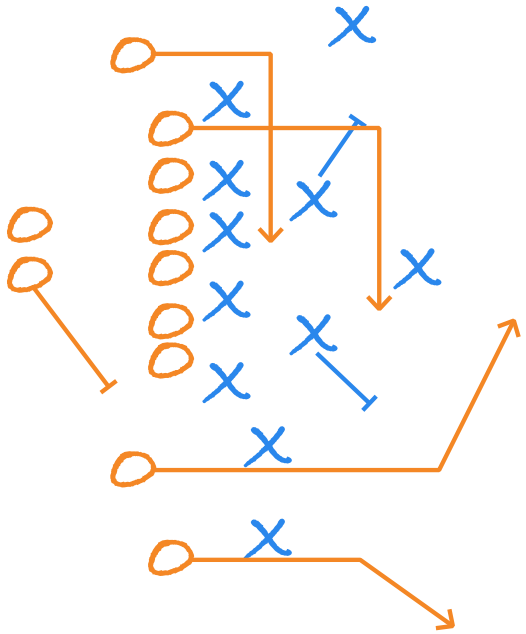


(1) Based on Operating and Under Construction SF.

2018 ACCOMPLISHMENTS: OFFICE LEASING AND POSITIONING STRATEGY

OFFENSIVE POSTURE IN NATIONAL LANDING

- Key large tenant renewals
- Shorter term leases with mark-to-market resets and fixed rent bumps
- Targeted renovation plans



DEFENSIVE POSTURE IN WASHINGTON, DC

- Reduced rollover risk with blend-and-extend renewals
- Sale of DC Commodity Class A assets
- Bottom-up leasing strategy at L'Enfant Plaza Office – Southeast
- Lease-up of lower floors at 1900 N Street

WEIGHTED AVERAGE LEASE TERM FOR NATIONAL LANDING

5.2 YEARS

WEIGHTED AVERAGE LEASE TERM FOR BALANCE OF PORTFOLIO

7.3 YEARS

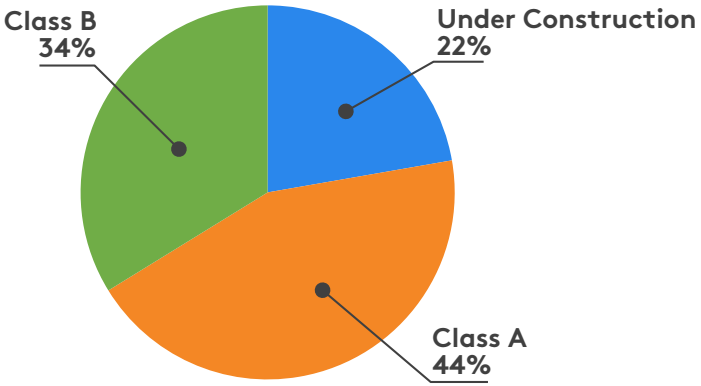
CUSTOMER SERVICE TENANT SURVEY SCORE ON SERVICE DELIVERY

4.8 OUT OF 5

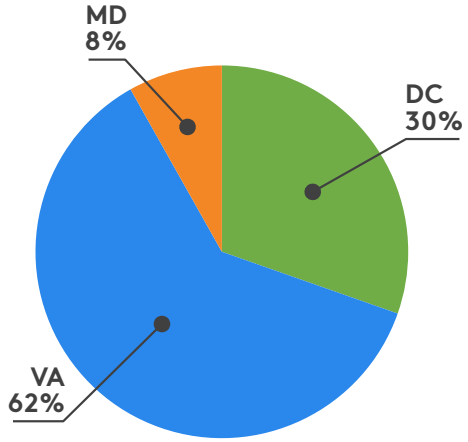
2018 ACCOMPLISHMENTS: MULTIFAMILY PERFORMANCE AND TRENDS

GREW MULTIFAMILY NOI AND MAINTAINED HIGH LEVEL OF OCCUPANCY

MULTIFAMILY PORTFOLIO MIX[1]



MULTIFAMILY NOI BY REGION



- Generated $80.3M of Annualized NOI in Q4 2018 versus $73.0M in Q4 2017
- Maintained 93.9% occupancy with delivery of 291 units at 1221 Van Street (average leasing pace 15 units per month)
- YTD same store NOI increased 0.5%
- Q4 2018 same store NOI increased 3.7%
- Portfolio Walk Score is 85 versus 66 for public peer average[2]

CUSTOMER SERVICE SCORE

JBG SMITH PROPERTY SCORE

+18%

ABOVE THE REPUTATION.COM INDUSTRY AVERAGE

(1) Based on Operating and Under Construction SF.
(2) Includes DC area operating and under construction assets for EQR, AVB, UDR, CPT, MAA, and WRE.

2018 ACCOMPLISHMENTS: ALL ASSET DELIVERIES SINCE MERGER AHEAD OF SCHEDULE AND UNDER BUDGET[(1)]

ASSETS DELIVERED ONE QUARTER AHEAD OF SCHEDULE



CEB TOWER AT CENTRAL PLACE



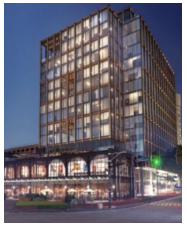
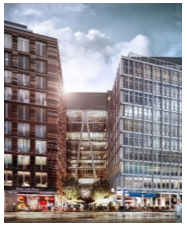
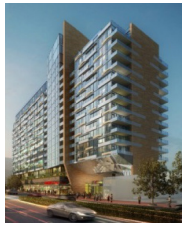
1221 VAN STREET

	CEB TOWER AT CENTRAL PLACE	1221 VAN STREET
USE:	Commercial	Multifamily
SUBMARKET:	Rosslyn	Ballpark/Southeast
BUILDING SIZE:	552,540 SF	291 Units
LEASED %:	93.0%	83.1%
OWNERSHIP:	100%	100%
COMPLETION DATE:	Q1 2018	Q1 2018

(1) Includes RTC-West Retail, a 40,025 SF asset completed in Q2 2017 and Stonebridge at Potomac Town Center – Phase II, a 4,105 SF asset completed in Q2 2018.

2018 ACCOMPLISHMENTS: UNDER CONSTRUCTION PIPELINE EXPECTED TO DELIVER STRONG NEAR-TERM GROWTH

WEIGHTED AVERAGE COMPLETION DATE	WEIGHTED AVERAGE STABILIZATION DATE
Q2 2020	Q2 2021

	2019			2020				2021	
	Q3	Q4	Q4	Q1	Q2	Q3	Q4	Q2	Q2
									
	L'Enfant Plaza Office-Southeast	4747 Bethesda Avenue	Atlantic Plumbing C	West Half	1900 N Street	7900 Wisconsin Avenue	965 Florida Avenue	1770 Crystal Drive	Central District Retail
USE:	Commercial	Commercial	Multifamily	Multifamily	Commercial	Multifamily	Multifamily	Commercial	Commercial
SUBMARKET:	Southwest	Bethesda CBD	U Street/Shaw	Ballpark/Southeast	CBD	Bethesda CBD	U Street/Shaw	National Landing	National Landing
BUILDING SIZE:	215,185 SF	291,414 SF	256 Units	465 Units	271,433 SF	322 Units	433 Units	271,572 SF	108,825 SF
PRE-LEASED %:	74.3%	77.7%	N/A	N/A	65.2%	N/A	N/A	97.8%(1)	45.0%
OWNERSHIP:	49.0%	100%	100%	100%	55.0%(2)	50.0%	96.1% (3)	100%	100%

Note: Building size data is shown at 100%.

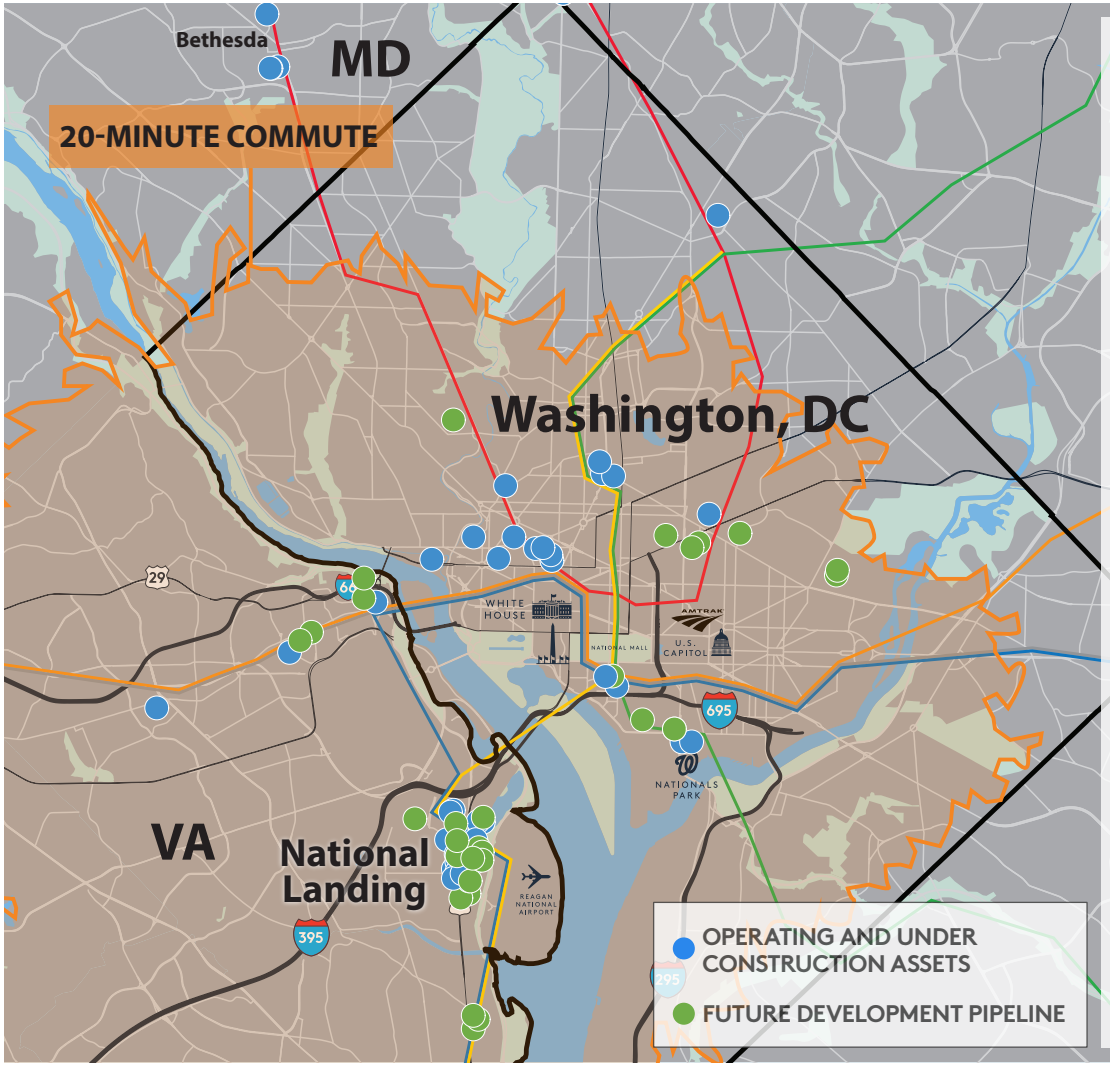
(1) Includes Amazon's lease of 258,299 SF at 1770 Crystal Drive.

(2) Ownership percentage reflects expected dilution of JBG SMITH's share as contributions are funded during construction of the asset. As of December 31, 2018, JBG SMITH's ownership share was 68.5%.

(3) Ownership percentage reflects expected dilution of JBG SMITH's real estate venture partner as contributions are funded during construction of the asset. As of December 31, 2018, JBG SMITH's ownership share was 88.1%.

2018 ACCOMPLISHMENTS: FUTURE DEVELOPMENT PIPELINE SUBMARKET CONCENTRATION

CONCENTRATION OF FUTURE DEVELOPMENT PIPELINE PROXIMATE TO NATIONAL LANDING



NORTHERN VIRGINIA

NATIONAL LANDING	RESTON	OTHER VA
11.0M SF[1]	3.5M SF	232K SF

WASHINGTON, DC

DC EMERGING

3.5M SF

MARYLAND

1.4M SF

75%

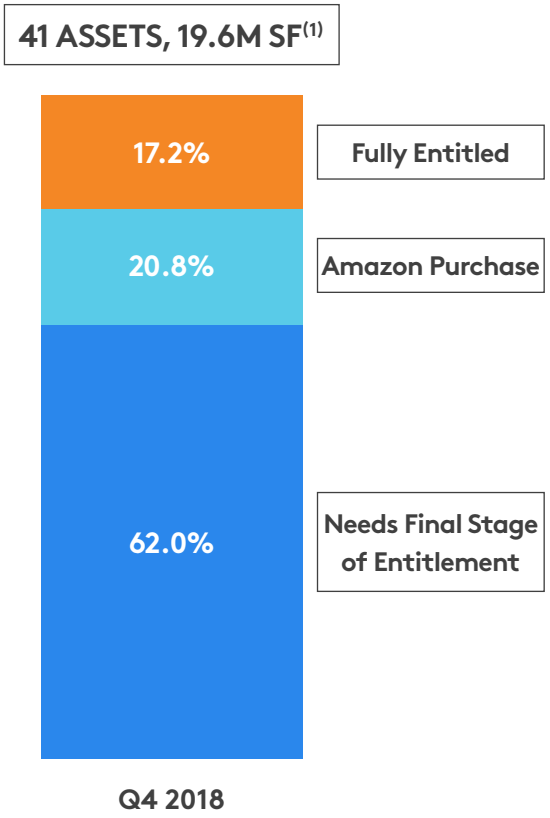
OF FUTURE DEVELOPMENT PIPELINE WITHIN 20-MINUTE COMMUTE[2] OF NATIONAL LANDING

(1) Includes 4.1M SF of Estimated Potential Development Density that Amazon has agreed to purchase from JBG SMITH.
(2) 20-minute commute calculated on a Monday morning to National Landing.

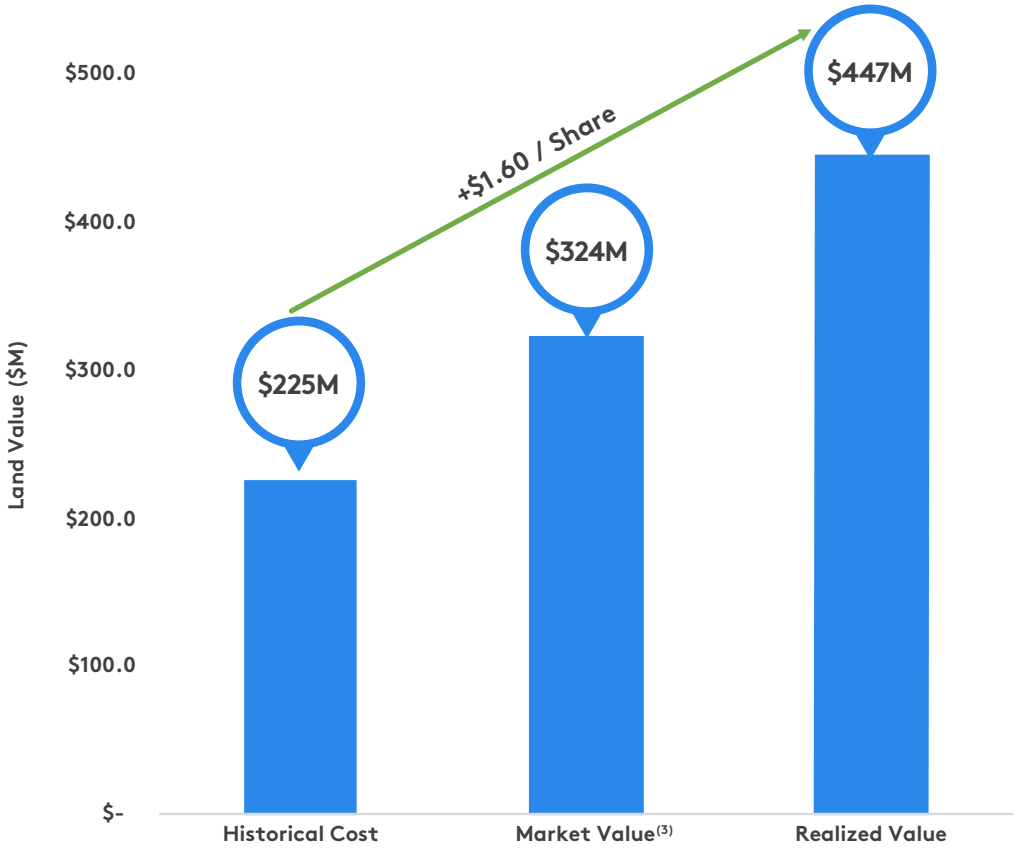
2018 ACCOMPLISHMENTS:
PROGRESSION OF FUTURE DEVELOPMENT PIPELINE

UNLOCKED VALUE OF FUTURE DEVELOPMENT PIPELINE THROUGH CONSTRUCTION STARTS, LAND SALES, AND FURTHERING ENTITLEMENTS

STAGE OF ENTITLEMENT



VALUE CREATION THROUGH MONETIZATION OF 6.0M SF(2)



(1) Includes 4.1M SF of Estimated Potential Development Density that Amazon has agreed to purchase from JBG SMITH.
(2) Includes Summit I and II Land, 1700 M Street, Commerce Executive Land, and the 4.1M SF of Estimated Potential Development Density that Amazon has agreed to purchase from JBG SMITH.
(3) JLL Market Value.

2018 ACCOMPLISHMENTS: ADVANCED ENTITLEMENTS ON REMAINING FUTURE DEVELOPMENT OPPORTUNITIES

WE OWN 6.9M SF(1) OF ESTIMATED DEVELOPMENT DENSITY IN NATIONAL LANDING



FIRST TRANCHE

1. 1900 CRYSTAL DRIVE
   755K SF

DEVELOPMENT OPPORTUNITIES

2. 1800 SOUTH BELL STREET LAND
   500K SF
3. 2001 JEFFERSON DAVIS HIGHWAY LAND
   650K SF
4. 223 23RD STREET
   1.0M SF
5. AIRPORT INFILL
   750K SF
6. 101 12TH STREET
   260K SF
7. RIVERHOUSE LAND
   1.1M SF
8. POTOMAC YARD
   1.9M SF

KEY

- AMAZON LEASE
- AMAZON PURCHASE
- INFRASTRUCTURE/EDUCATION (STATE & LOCAL FUNDED)
- FUTURE DEVELOPMENT OPPORTUNITIES

(1) Excludes 4.1M SF of Estimated Potential Development Density that Amazon has agreed to purchase from JBG SMITH.

2018 ACCOMPLISHMENTS: ADVANCED ENTITLEMENT OF 1900 CRYSTAL DRIVE

FILLS CRITICAL RETAIL AND ACTIVITY GAP ON CRYSTAL DRIVE



Illustrative 1900 Crystal Drive (Multifamily) – South Tower in Foreground

750 UNITS OF MULTIFAMILY IN TWO BUILDINGS

30K SQUARE FEET OF RETAIL

$362M OF ESTIMATED INCREMENTAL INVESTMENT

2020 CONSTRUCTION START



Illustrative 1900 Crystal Drive (Alternative Office Use)

2018 ACCOMPLISHMENTS: ESG – ENVIRONMENTAL

ALIGNED BUSINESS PRACTICES WITH SUSTAINABLE GROWTH, RESPONSIBLE DEVELOPMENT, AND HIGH-PERFORMANCE OPERATIONS

CLIMATE CHANGE IMPACT PRIORITY

GRESB

GREEN STAR

Recognition

BOARD ESG OVERSIGHT



In our first year as a GRESB participant and member (2018)

2ND

In Peer Group

3.4%

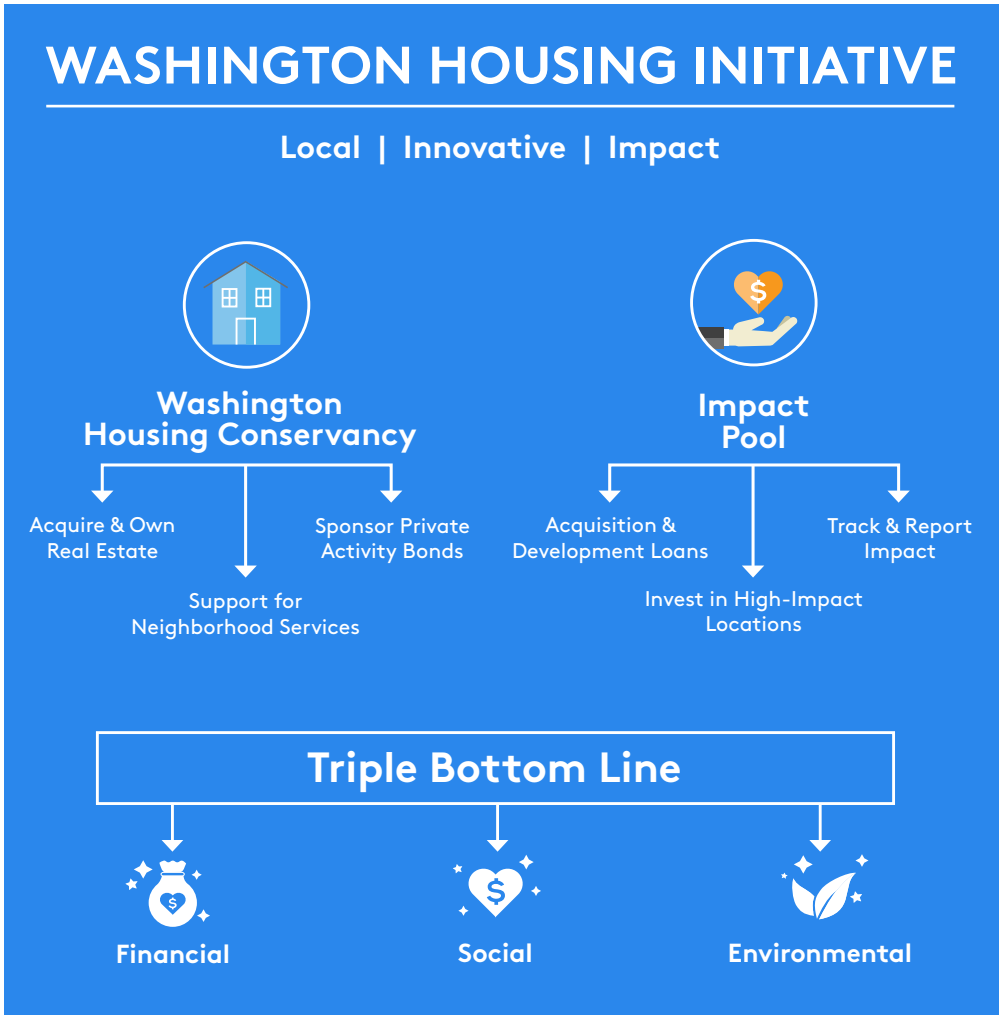
average annual reduction in energy intensity each year between 2014-2017

74%

of all Operating assets have earned at least one green certification

2018 ACCOMPLISHMENTS: ESG – SOCIAL RESPONSIBILITY

LAUNCHED THE WASHINGTON HOUSING INITIATIVE TO PRODUCE OR MAINTAIN AFFORDABLE WORKFORCE HOUSING IN HIGH-IMPACT LOCATIONS



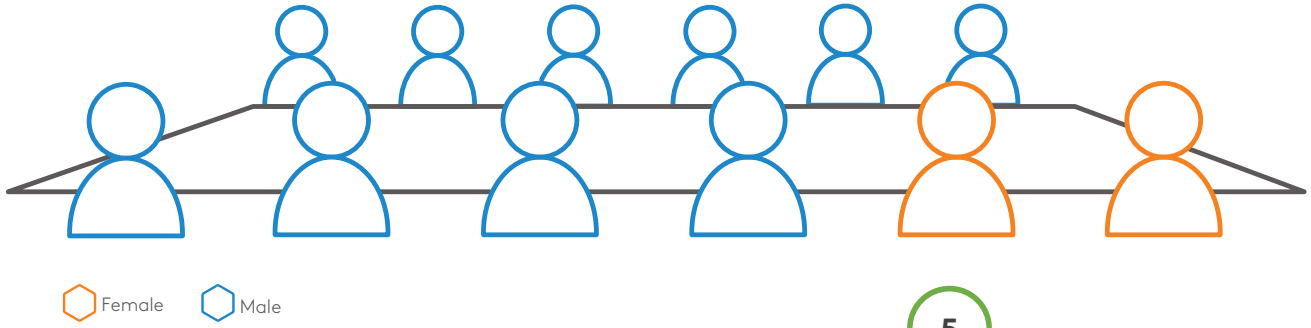
- Produce or maintain up to 3,000 units of affordable workforce housing over 10 years
- Impact pool funded by third-party capital to provide mezzanine financing
- Targeted size of $150M with JBG SMITH commitment of $10M
- Targeted 7% net return (Community Reinvestment Act eligible)
- Anticipate first closing of $60M in mid-2019
- Build a replicable model that can be used by other communities
- Sustain and strengthen inclusive communities

Note: The Washington Housing Conservancy and the Impact Pool are separate legal entities from JBG SMITH. While the manager of the Impact Pool is controlled by JBG SMITH, an investment in the Impact Pool is not an investment in JBG SMITH.

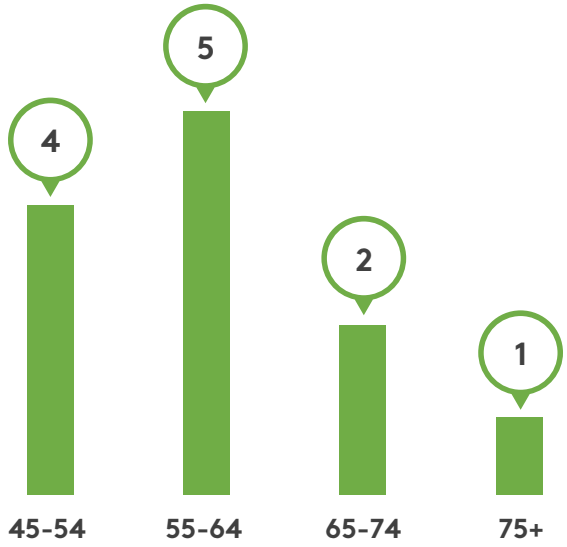
2018 ACCOMPLISHMENTS: ESG – GOVERNANCE

DIVERSE AND EXPERIENCED MANAGEMENT TEAM AND BOARD OF TRUSTEES

BOARD OF TRUSTEES

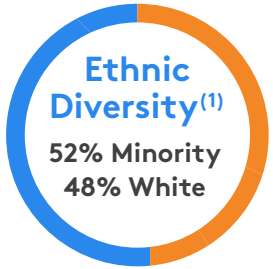


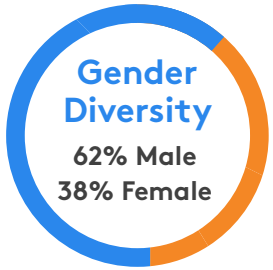
Percent of Board Members with Competency/Attribute	
Operating	75%
Public company experience	67%
Real estate expertise	67%
Financial literacy	92%
Experience over several business cycles	100%
Executive Leadership	92%
Investment/capital allocation expertise	75%
Accounting expertise	17%
Government/business conduct/legal	50%



Age Ranges of 12-Member Board

COMPANY-WIDE DIVERSITY AND INCLUSION





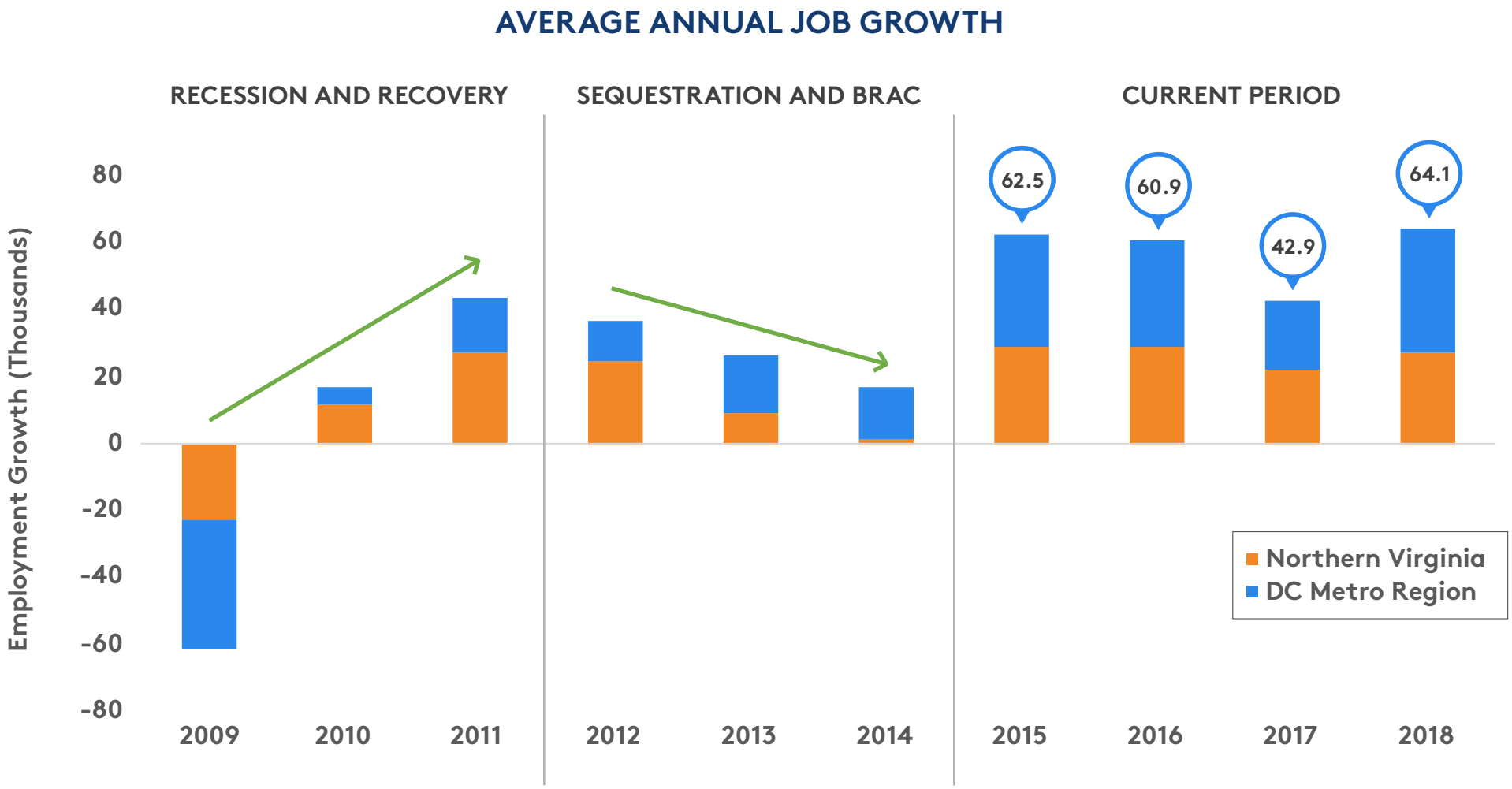


(1) Ethnic Diversity: 48% White, 30% Black or African American, 14% Hispanic or Latino, 7% Asian, and 1% other.
(2) Senior Vice President and above.

STATE OF THE MARKET

STATE OF THE MARKET: DC ECONOMY

STRONG JOB GROWTH POST-SEQUESTRATION AND BRAC, PARTICULARLY IN NORTHERN VIRGINIA

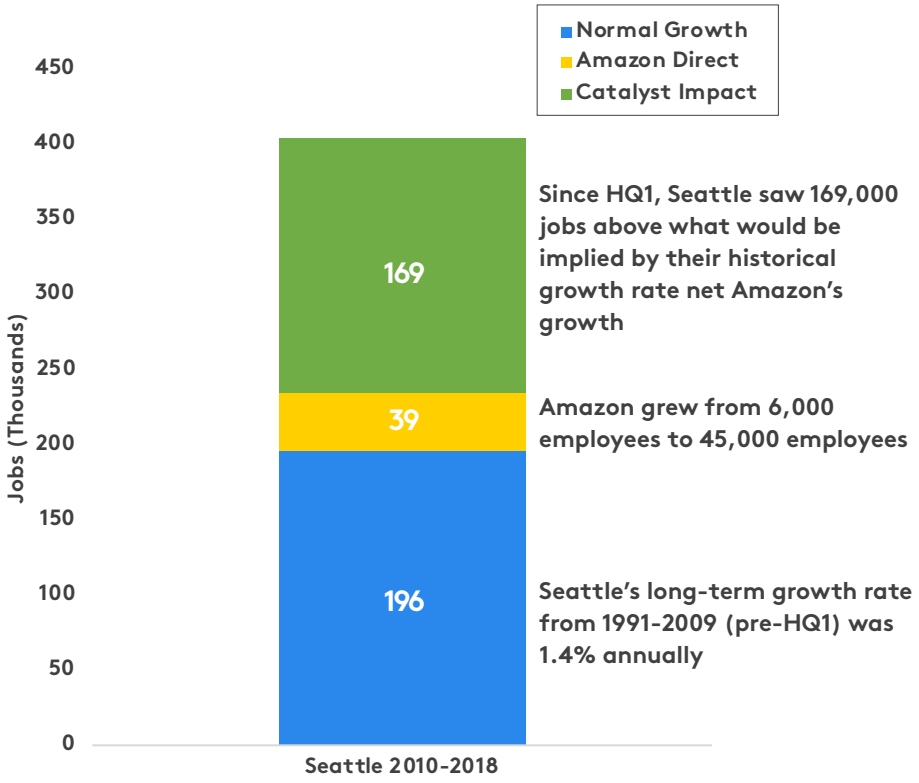


Source: Bureau of Labor and Statistics (BLS)

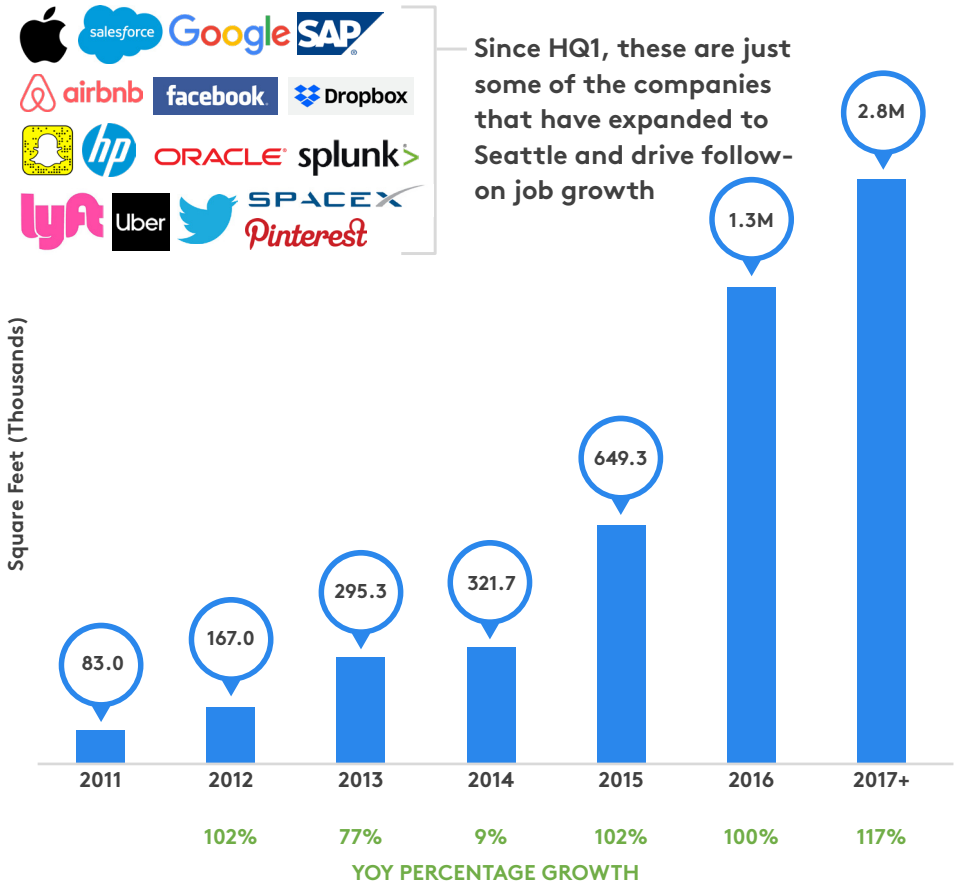
STATE OF THE MARKET: POTENTIAL AMAZON IMPACT

AMAZON ISN'T JUST 38,000 JOBS – IT'S A CATALYST FOR SIGNIFICANT GROWTH

ESTIMATED TECH CATALYST IMPACT



5.5M SF OF TECH EXPANSIONS TO SEATTLE SINCE 2011

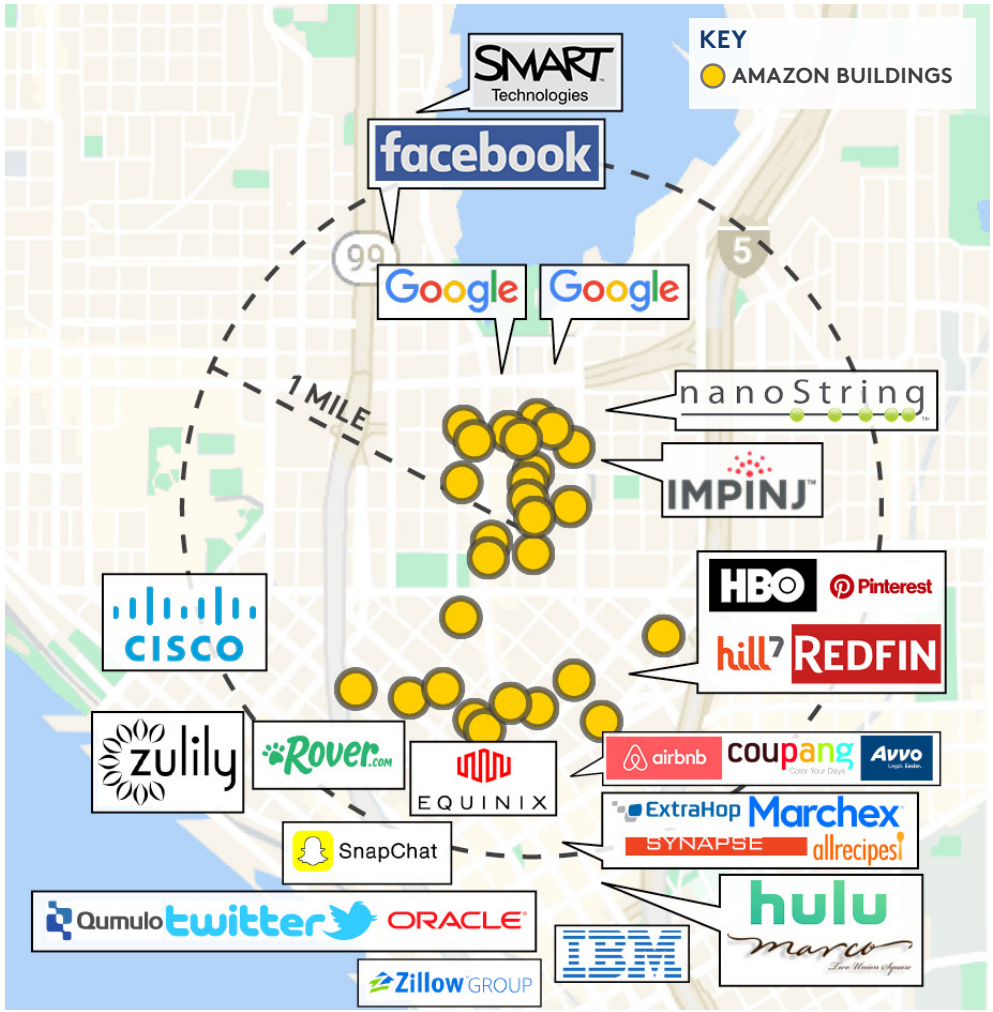


Source: BLS, Eastdil

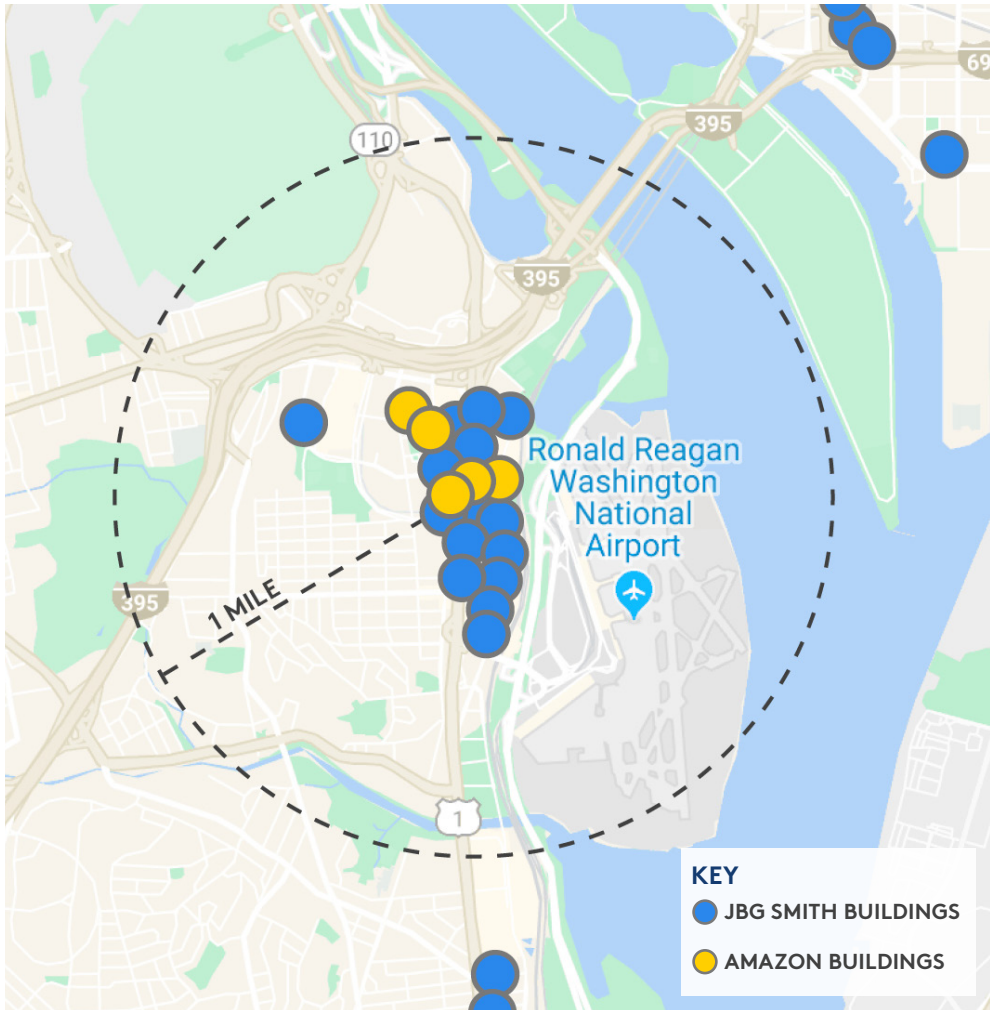
STATE OF THE MARKET: ANTICIPATED AMAZON FOLLOW-ON DEMAND

SEATTLE SAW TECH-DOMINATED GROWTH AROUND AMAZON POST 2010

SEATTLE



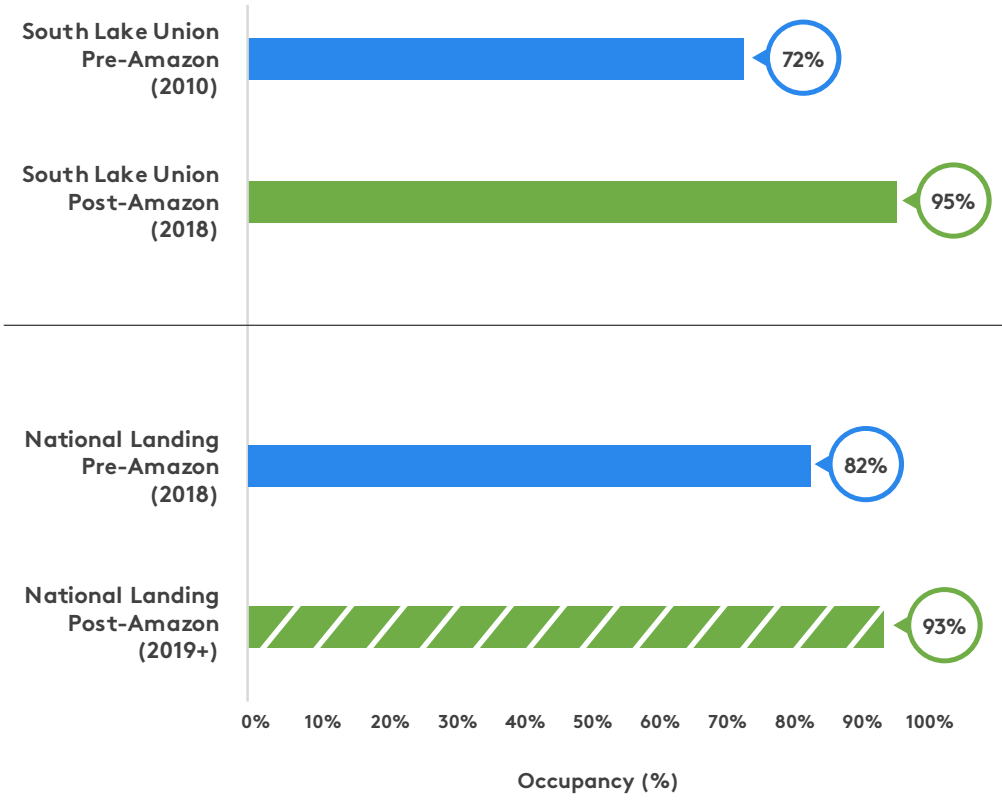
NATIONAL LANDING



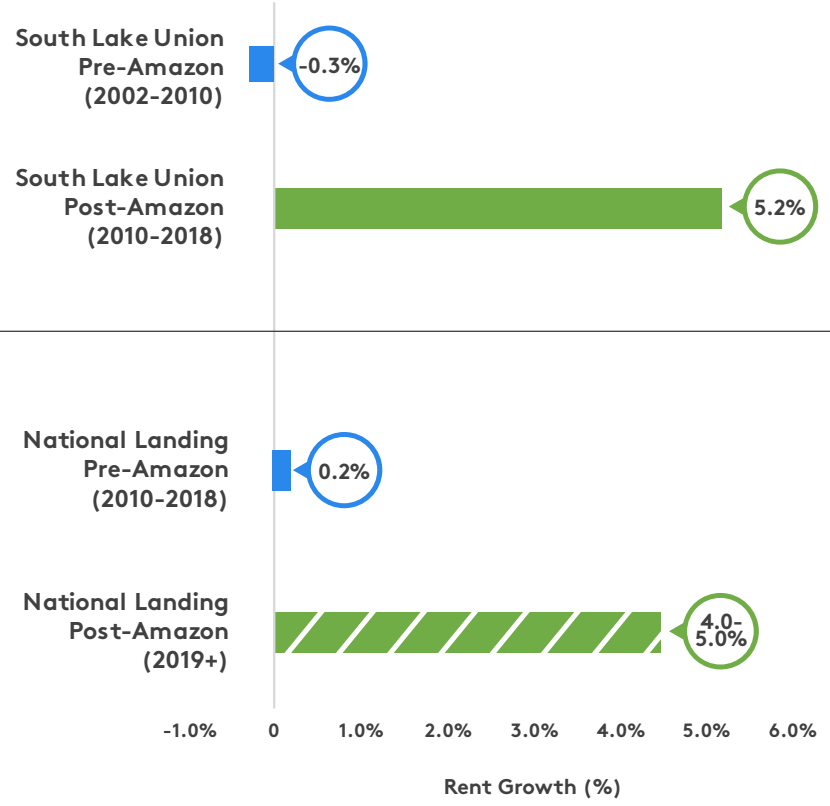
STATE OF THE MARKET: POTENTIAL AMAZON IMPACT

TRANSWESTERN FORECASTS 4.0%-5.0% RENT GROWTH AND 93% OCCUPANCY FOR NATIONAL LANDING, CONSISTENT WITH ACTUAL GROWTH IN SOUTH LAKE UNION

OFFICE OCCUPANCY



OFFICE RENT GROWTH



Source: Transwestern, JLL

STATE OF THE MARKET: POTENTIAL AMAZON IMPACT MULTIFAMILY

NEW DEMAND CATALYST IS LIKELY TO DRIVE STRONG CLASS A APARTMENT MARKET IN NATIONAL LANDING

37,850 JOBS
X
20% OF EMPLOYEES
WHO WALK TO WORK

7,750 New Residents
versus
Approximately 5,000 units in JBG SMITH pipeline

+

$150,000 INCOMES
X
30% OF PRE-TAX
INCOME TOWARDS RENT

$3,750/month in affordable rent
or
$4.54/SF on an 825 SF unit

The top rent in National Landing today is $3.25/SF

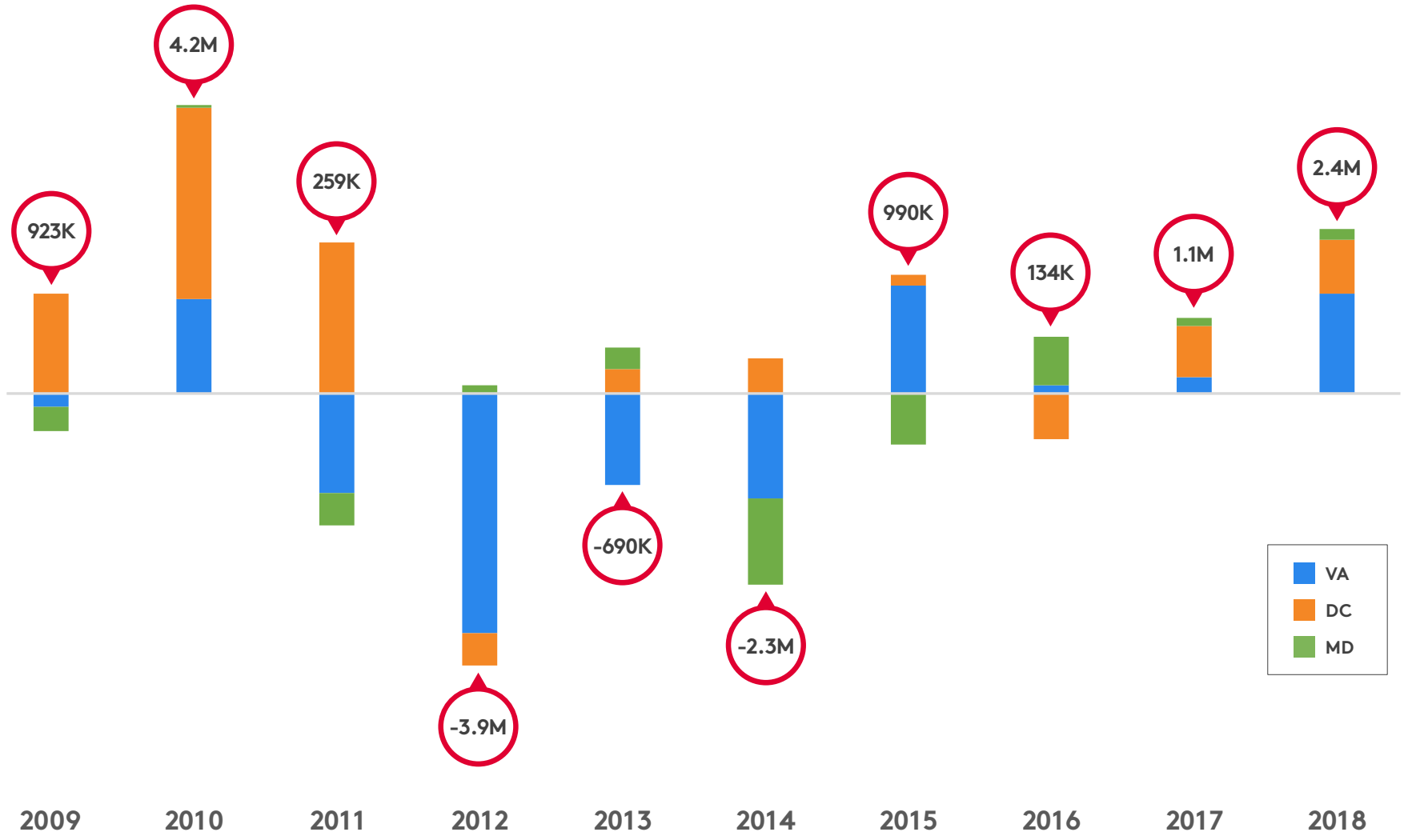
=

Class A demand in excess of inventory with ability to pay replacement cost rent should lead to new development of which JBG SMITH controls 65%

Source: Amazon-Virginia MOU

OFFICE HAD A STRONG YEAR IN 2018, WITH GROWTH CONCENTRATED IN NORTHERN VIRGINIA

METRO MARKET DIRECT NET ABSORPTION COMPARISON (SF)

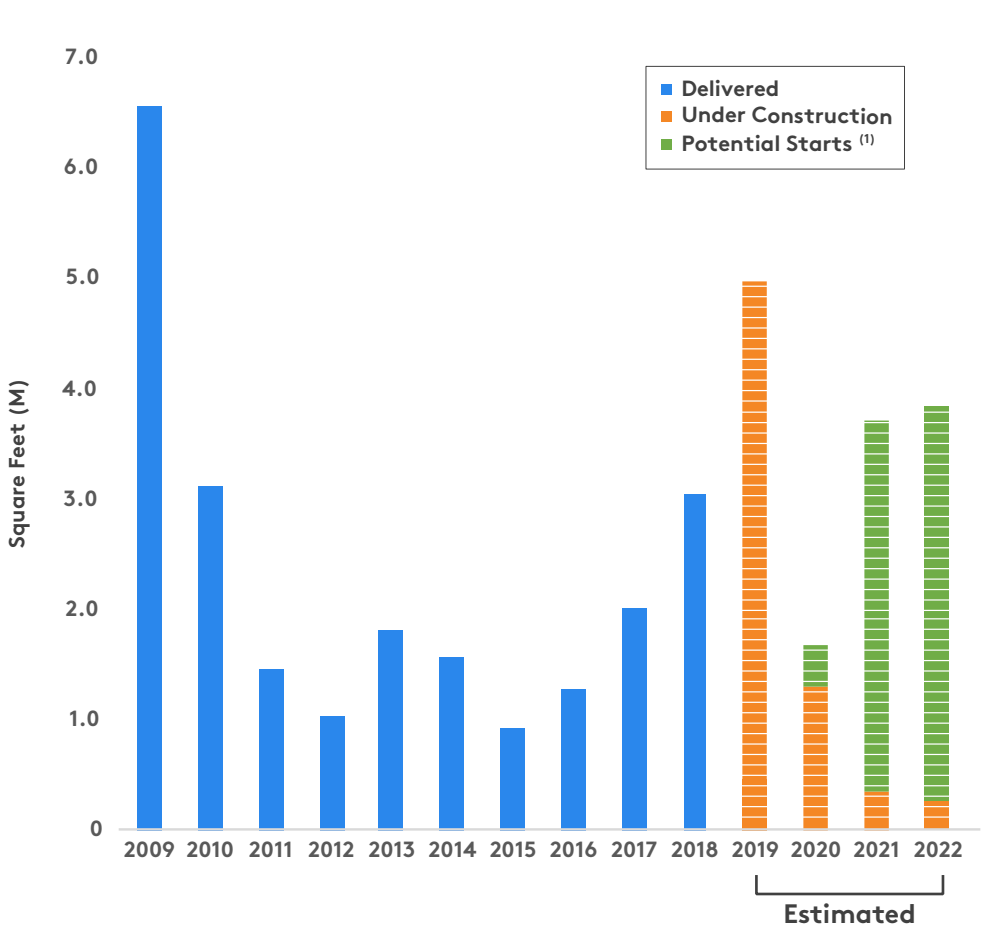


Source: JLL

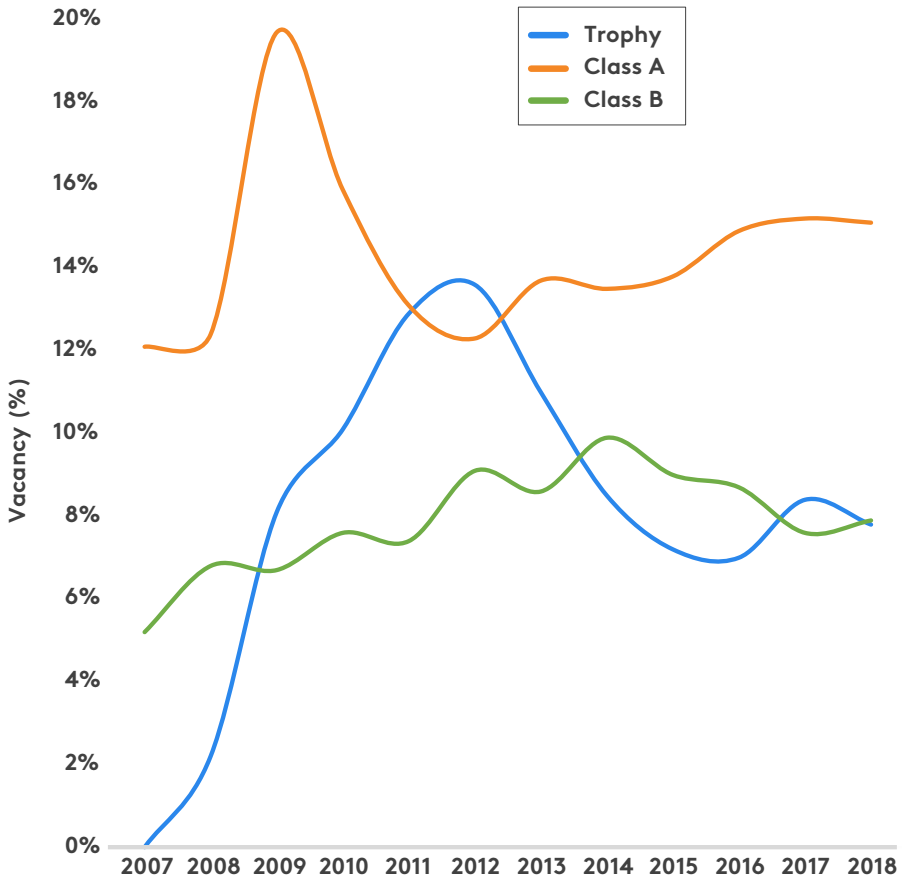
STATE OF THE MARKET: DC METRO OFFICE MARKET

DELIVERY PIPELINE EXERTING SIGNIFICANT PRESSURE ON EXISTING COMMODITY A BUILDINGS

DC OFFICE PIPELINE (SF)



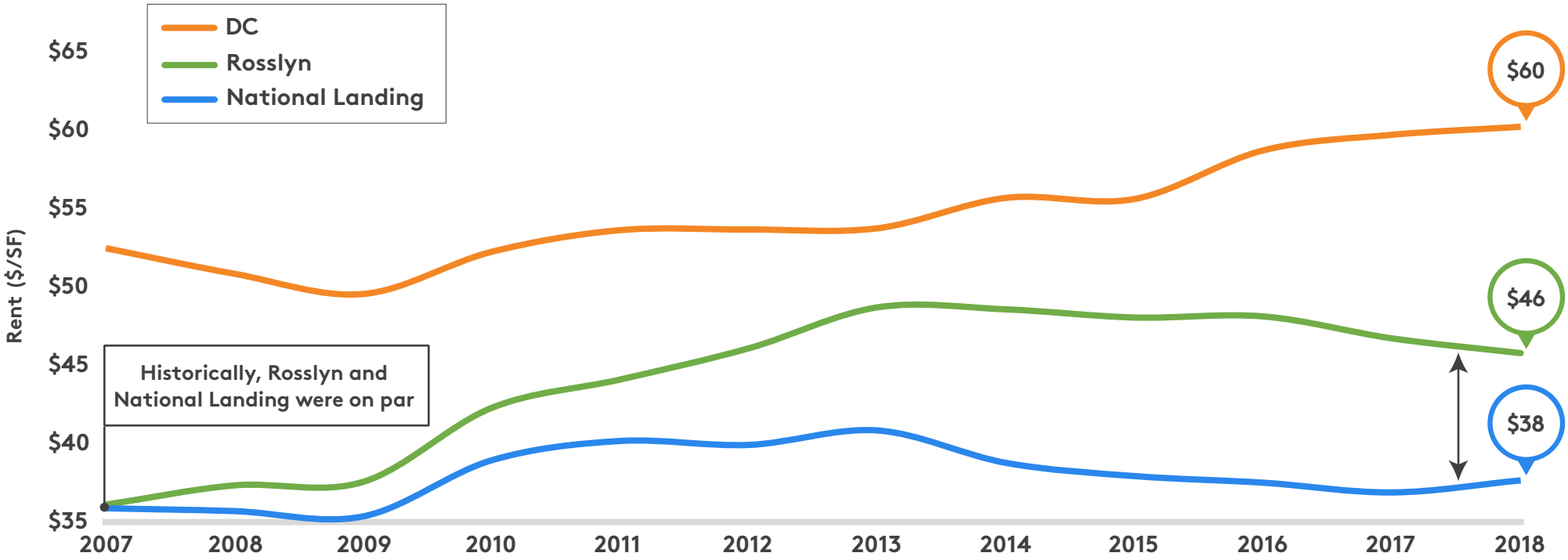
DC OFFICE DIRECT VACANCY



Source: JLL
(1) Defined as "Proposed Short-Term" by JLL, as of Q1 2019, excluding proposed short-term development under 60,000 square feet.

AS NATIONAL LANDING LEASE UP CONTINUES, RENTS ARE EXPECTED TO CLOSE THE GAP WITH, AND EVENTUALLY SURPASS, ROSSLYN

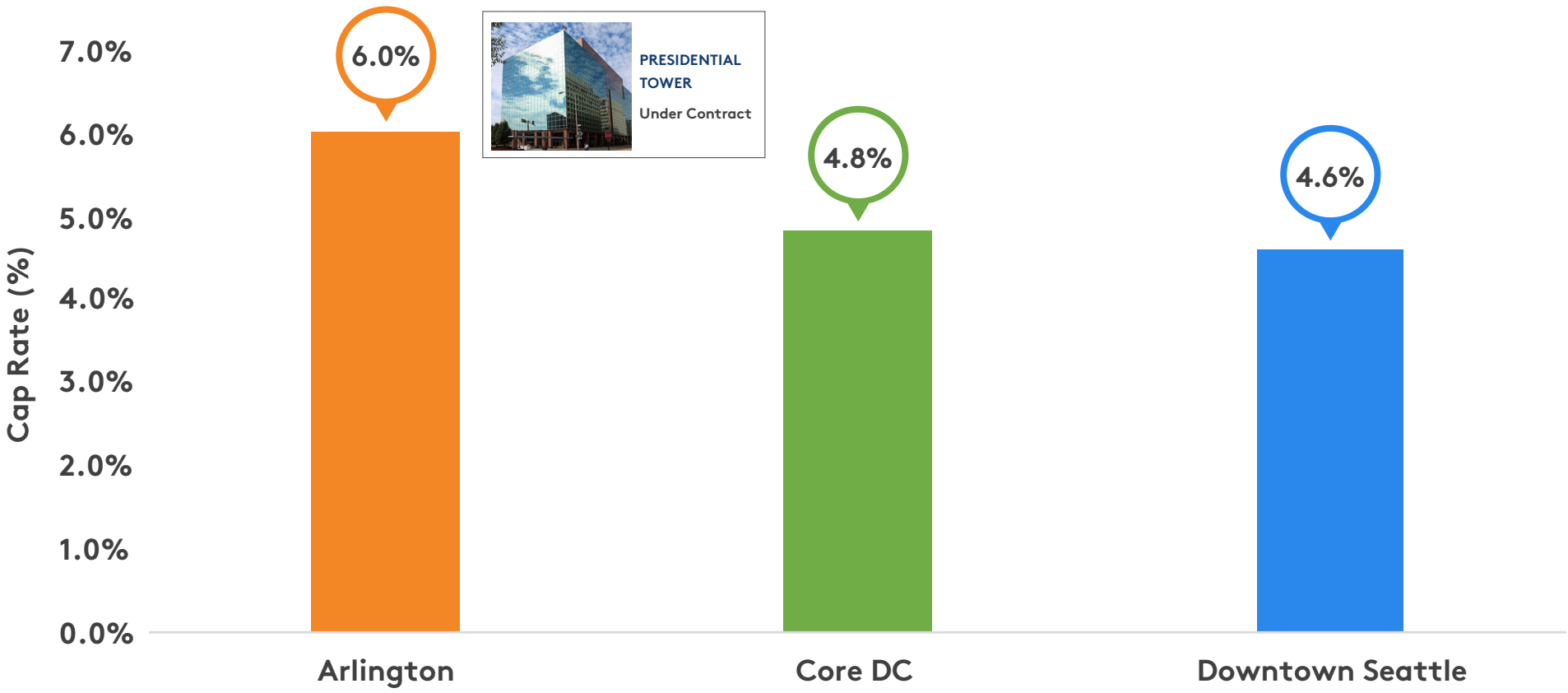
DIRECT AVERAGE ASKING RENT (OFFICE)



Source: JLL

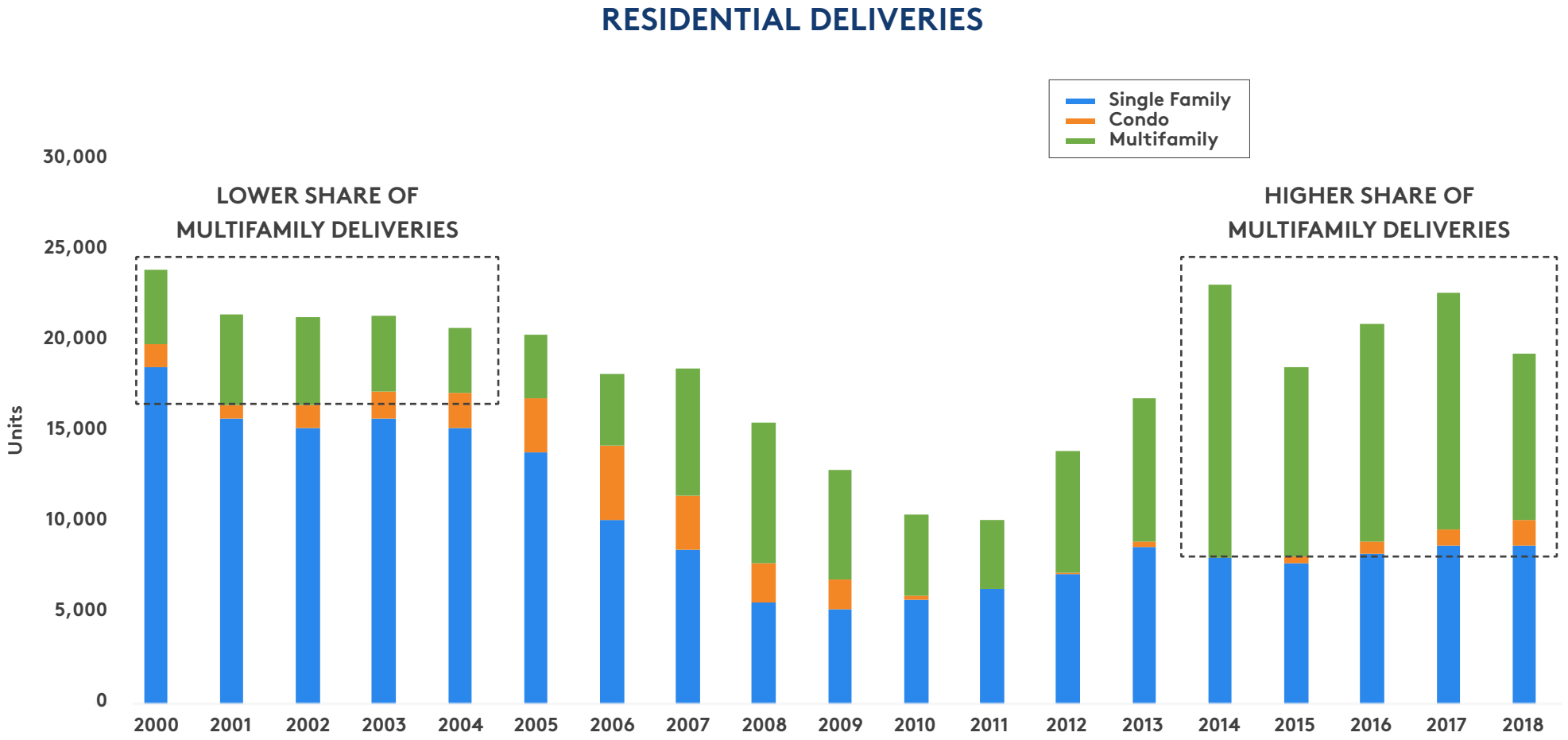
INVESTMENT SALES VOLUME AND PRICING REMAIN STRONG IN CORE MARKETS, WHICH COULD EXPAND TO INCLUDE NATIONAL LANDING

2016-2018 MEDIAN OFFICE CAP RATE COMPARISON (ALL CLASSES)



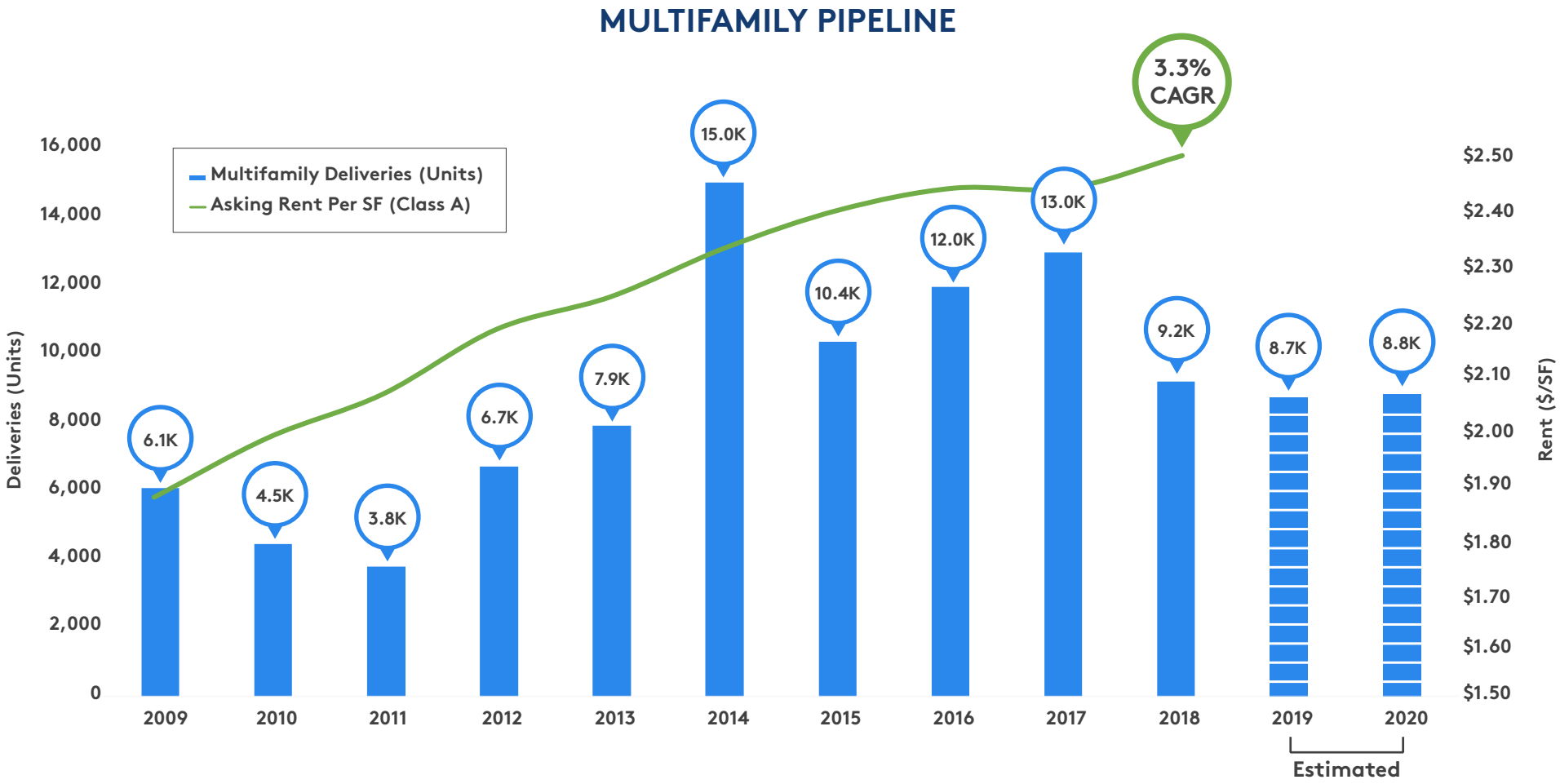
Source: JLL, broker discussions

MULTIFAMILY HOUSING COMPRISES GREATER SHARE OF TOTAL UNITS DELIVERED EVEN AS NEW HOUSING DELIVERIES REMAIN BELOW PEAK LEVELS



Source: Census Bureau, HUD, CoStar (multifamily and condo data)

MULTIFAMILY RENT GROWTH SHOULD CONTINUE AS PIPELINE DECLINES AND A NEW DEMAND CATALYST ARRIVES

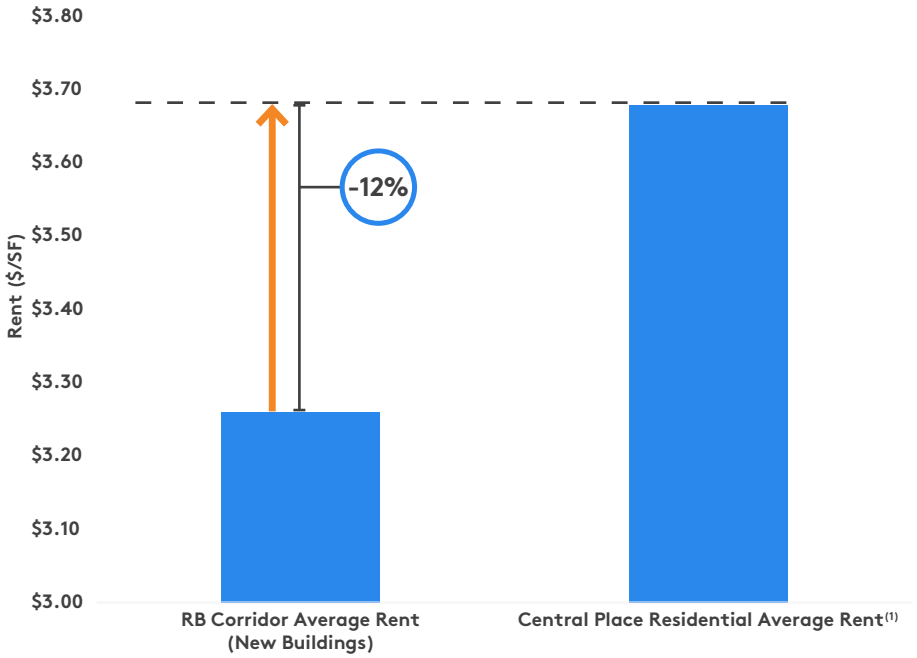


Source: CoStar

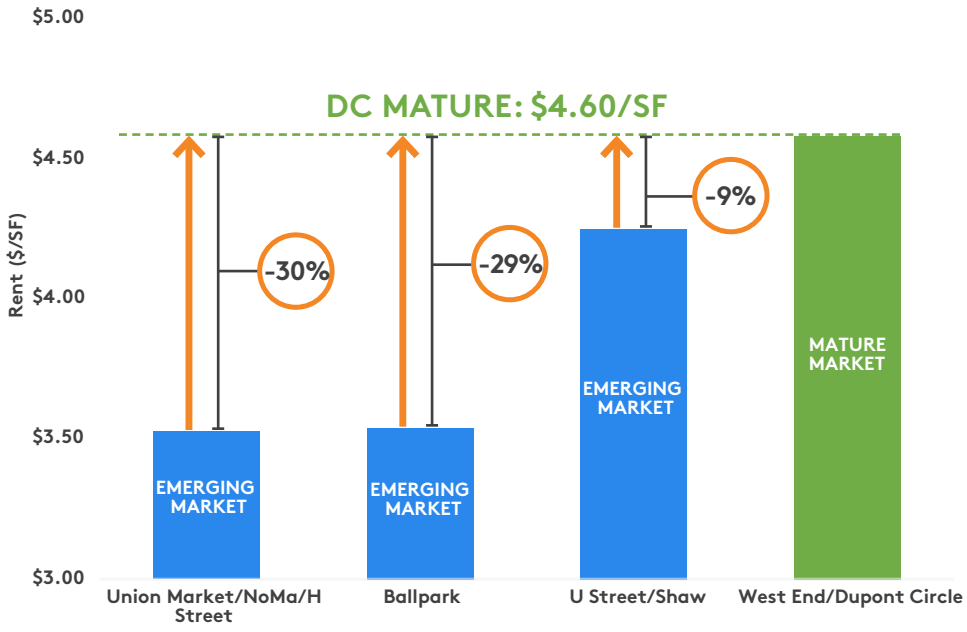
STATE OF THE MARKET: DC METRO MULTIFAMILY MARKET

IN A DEMAND-RICH MARKET, QUALITY AND VIEWS DRIVE RENT PREMIUMS WHILE PLACEMAKING AMENITIES HELP EMERGING MARKETS CLOSE THE GAP WITH MATURE MARKETS

ARLINGTON COUNTY QUALITY AND VIEW PREMIUMS



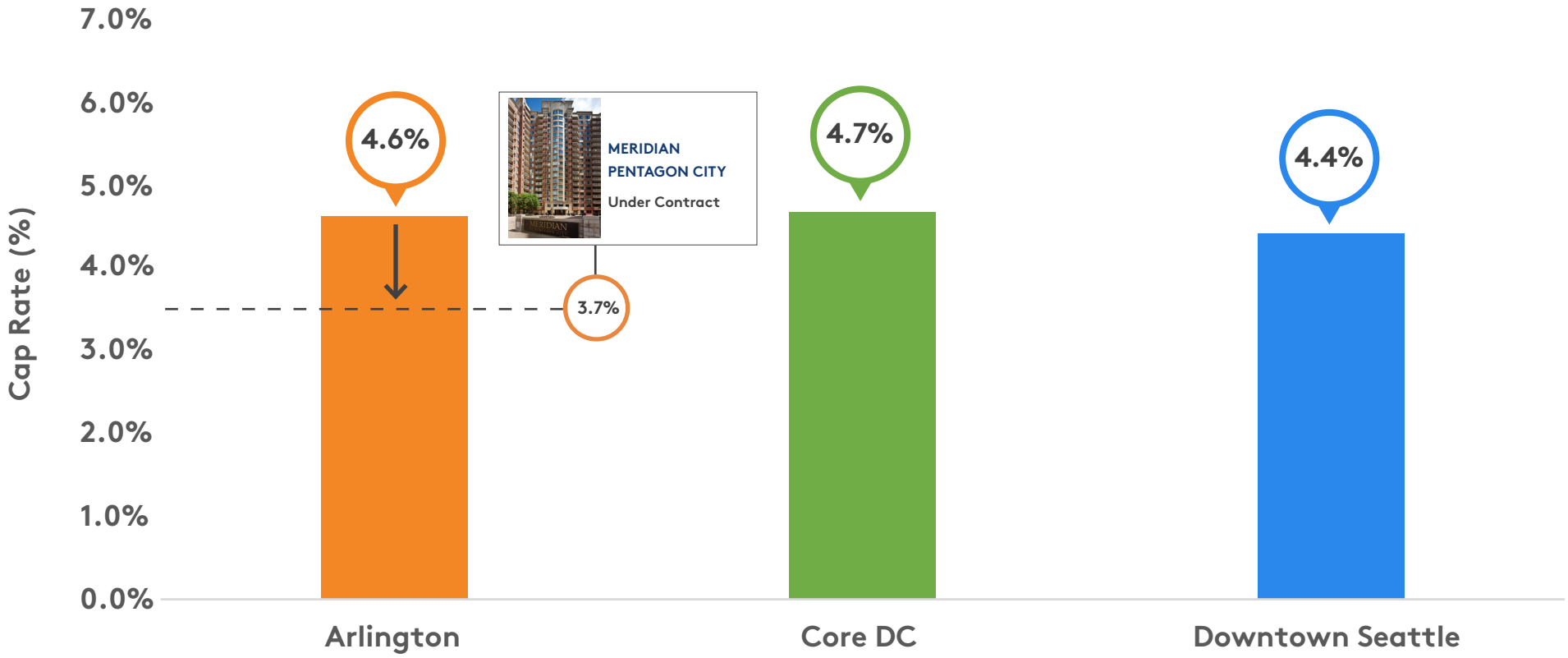
DC EMERGING MARKET GROWTH TRAJECTORY



Source: CoStar, JBG SMITH
Note: All data for buildings built since 2016.
(1) Owned in JBG Legacy Funds and managed by JBG SMITH.

ARLINGTON CLASS A MULTIFAMILY ALREADY TRADES LIKE DC, BUT AMAZON COULD MEAN FURTHER CAP RATE COMPRESSION

2016-2018 MEDIAN MULTIFAMILY CAP RATE COMPARISON (CLASS A)

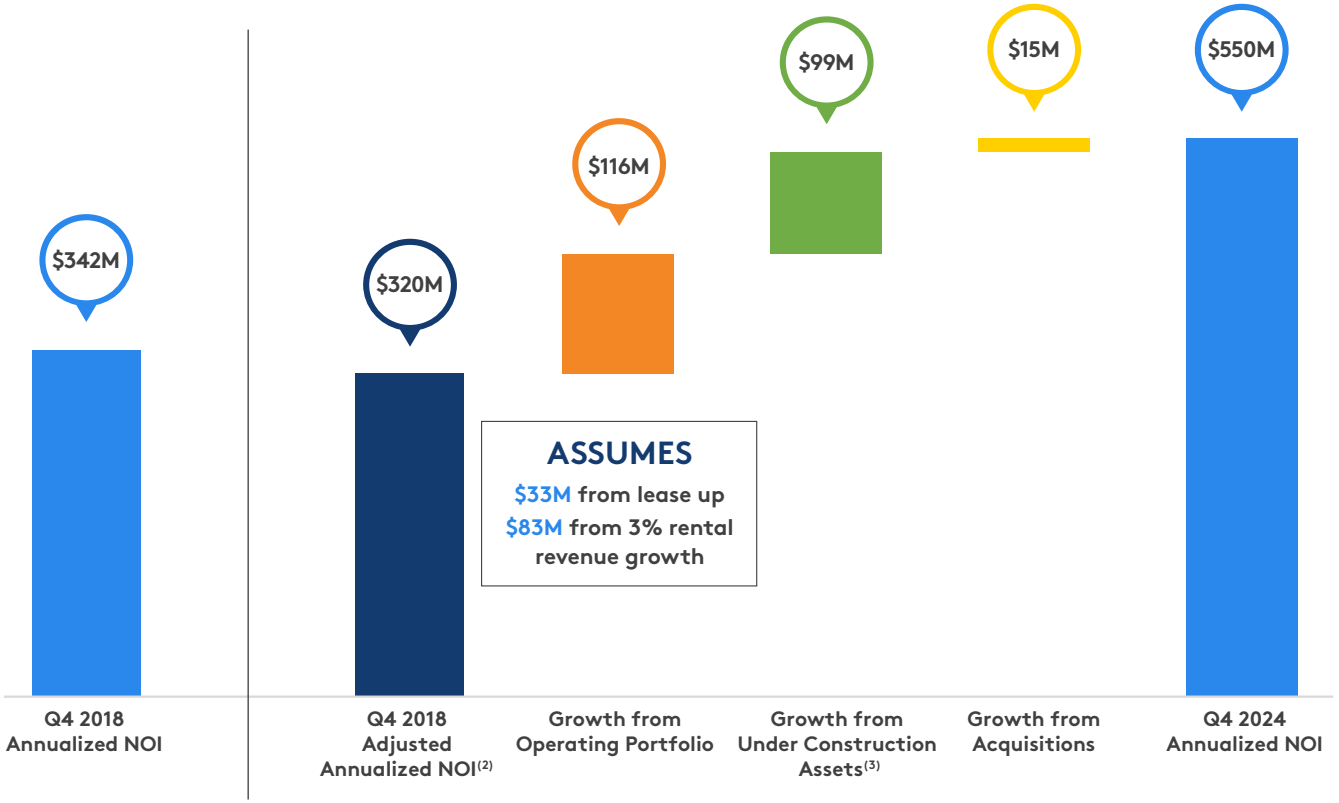


Source: JLL, broker discussions

GROWTH AND CAPITALIZATION

GROWTH AND CAPITALIZATION: ESTIMATED NOI BRIDGE

EXCLUDES ADDITIONAL POTENTIAL VALUE CREATION FROM MONETIZATION OF 14.8M SF[(1)] FUTURE DEVELOPMENT PIPELINE



ASSUMPTIONS

Total Portfolio NOI CAGR:	9.4%
Operating Portfolio NOI CAGR:	5.3%
Weighted Average Mark-to-Market on Office Rents:	-3.0%
Operating Commercial Occupancy:	93.0%
Operating Multifamily Occupancy:	95.0%

NOI GROWTH IS BACK-END WEIGHTED

Note: This is a hypothetical presentation of potential near-term NOI from the delivery and stabilization of our Under Construction assets and the stabilization of our Operating Portfolio and is dependent on numerous assumptions, which may not be accurate. Actual future NOI may differ materially from this hypothetical potential near-term NOI. Please see the forward-looking statements disclaimer in this presentation for a discussion of the risks that could cause actual results to differ materially from any projected or estimated results.

(1) Excludes 4.1M SF of Estimated Potential Development Density that Amazon has agreed to purchase from JBG SMITH and approximately 750 units related to 1900 Crystal Drive.

(2) Excludes $22M of Q4 2018 annualized NOI from disposed assets.

(3) Includes nine assets currently under construction and 1900 Crystal Drive.

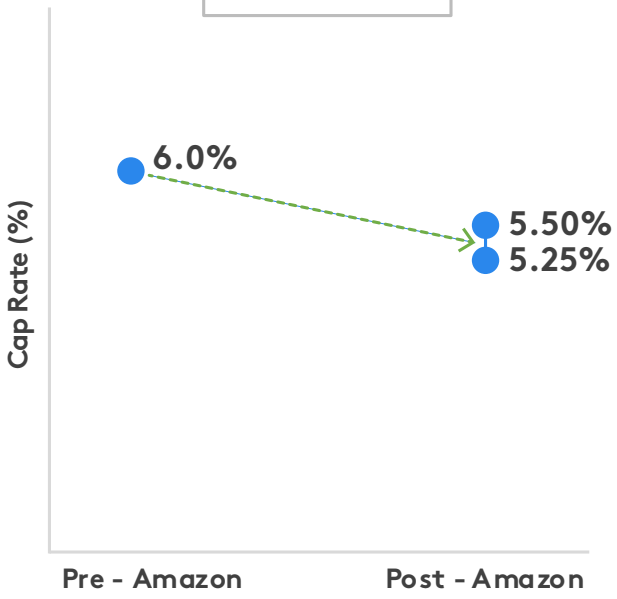
GROWTH AND CAPITALIZATION:
POTENTIAL NAV IMPACT FROM AMAZON IN NATIONAL LANDING

ESTIMATED NAV IMPACT EXPECTED TO BE BETWEEN $5.25 AND $8.25 PER SHARE

JBG SMITH HOLDINGS IN NATIONAL LANDING

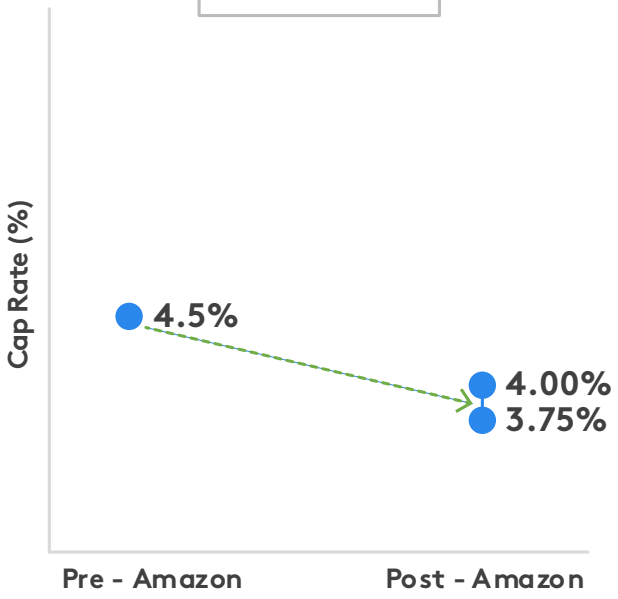
COMMERCIAL

$1.50 - $2.25 Per Share



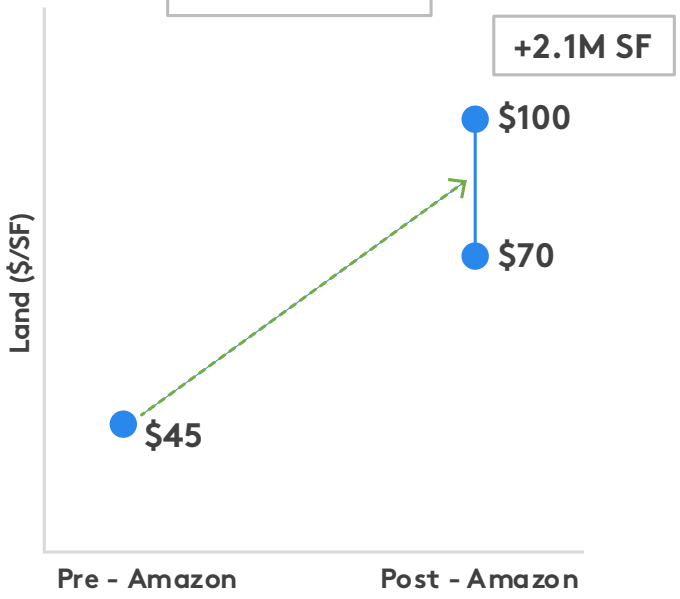
MULTIFAMILY

$1.00 - $1.50 Per Share



LAND

$2.75 - $4.50 Per Share



+ ADDITIONAL THIRD-PARTY FEE INCOME STREAMS

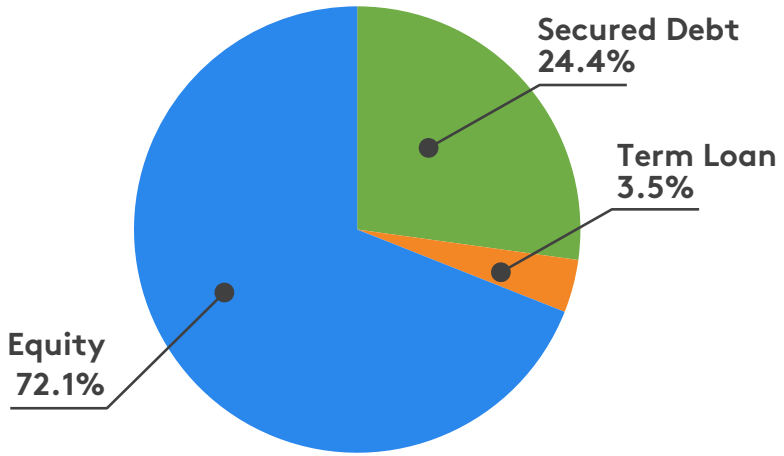
Note: Management's estimates based on recent transactions, market data, and broker opinions of value for JBG SMITH portfolio in National Landing.

GROWTH AND CAPITALIZATION: STRONG BALANCE SHEET TO FUND FUTURE GROWTH

ACCESS TO MULTIPLE SOURCES OF CAPITAL WITH $1.7B[1] OF EXISTING LIQUIDITY

1. Secured and unsecured debt
2. Opportunistic capital recycling
3. Selective joint ventures
4. Efficient access to equity market when conditions warrant

NET DEBT/TOTAL ENTERPRISE VALUE: 27.9%[2]



MULTIFAMILY ASSET BORROWING CAPACITY

Unencumbered multifamily assets with borrowing capacity of $491M[3]

LEVERAGE METRICS

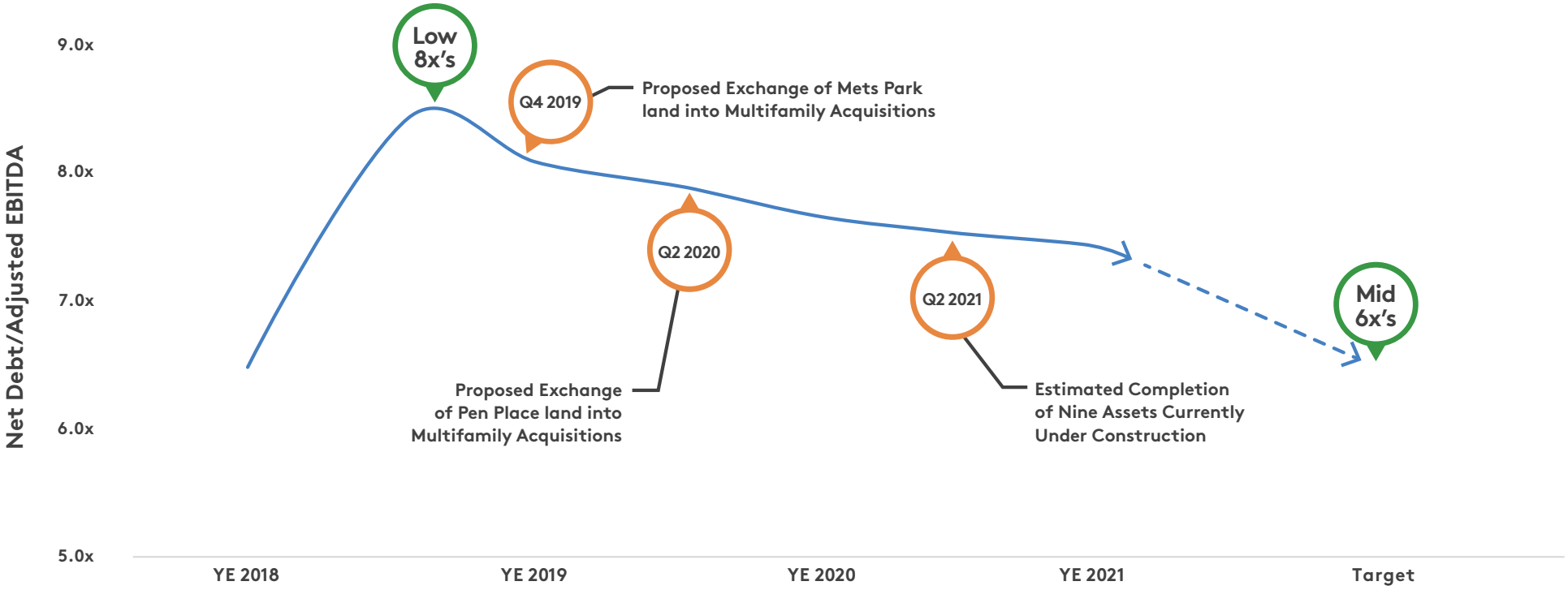
Net Debt/Annualized Adjusted EBITDA: 6.5x

Fixed Rate Debt: 72.8%

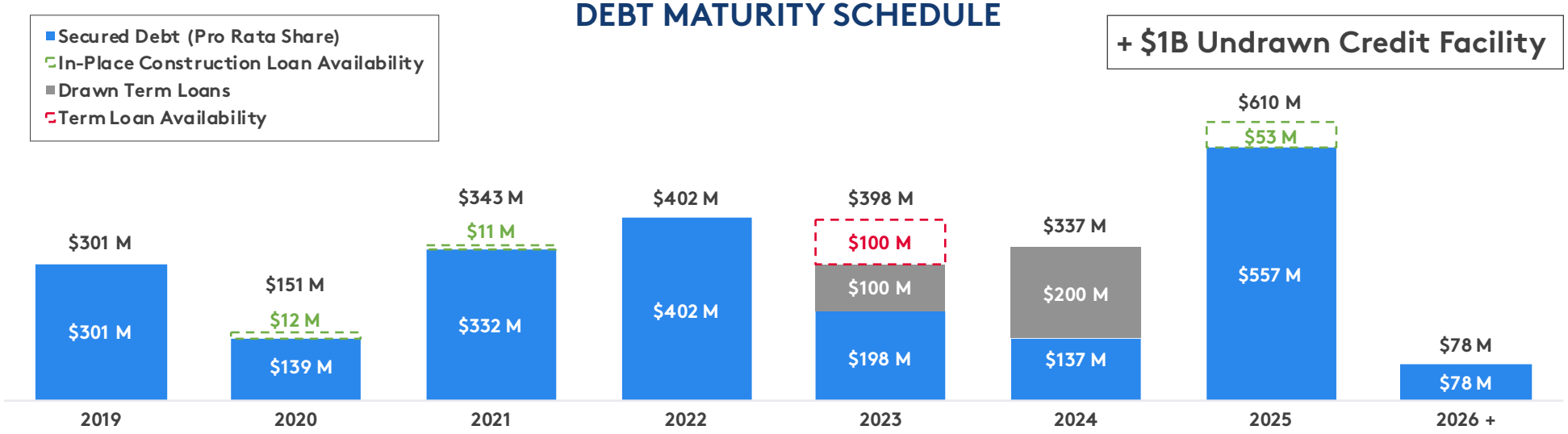
Secured Debt: 87.7%

(1) Includes the proceeds from the sale of Commerce Executive, which was under firm contract as of December 31, 2018 and closed in February 2019.
(2) Based on $40.47 closing price per share on March 25, 2019.
(3) Estimated multifamily asset borrowing capacity is based on a 9% debt yield after Under Construction multifamily assets deliver and stabilize.

GROWTH AND CAPITALIZATION: EXPECTED LEVERAGE PROFILE[(1)]



DEBT MATURITY SCHEDULE



(1) Expected leverage profile assumes a static portfolio as of March 25, 2019, other than the delivery and stabilization of all Under Construction assets and the construction of 1900 Crystal Drive. Does not account for future capital recycling or construction starts.

STRATEGY: SUMMARY



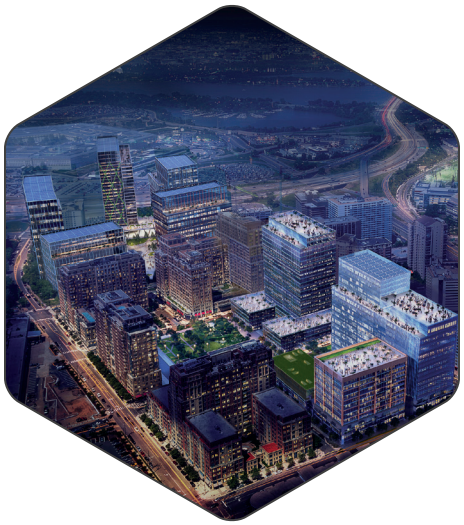
SUBMARKET CONCENTRATION

Invested in high growth urban submarkets in Washington, DC Metro Area



HIGH-GROWTH ASSETS

Own and operate high risk-adjusted return assets, with emphasis on multifamily over the longer term



PROVEN DEVELOPMENT EXPERTISE

Mixed-use operator with track record of value creation in development and redevelopment



DISCIPLINED CAPITAL ALLOCATOR

Demonstrated capital allocation discipline to maximize value and mitigate downside risk

DEFINITIONS

NON-GAAP FINANCIAL MEASURES

This release includes non-GAAP financial measures. For these measures, we have provided an explanation of how these non-GAAP measures are calculated and why JBG SMITH's management believes that the presentation of these measures provides useful information to investors regarding JBG SMITH's financial condition and results of operations. Reconciliations of certain non-GAAP measures to the most directly comparable GAAP financial measure are included in this Investor Presentation. Our presentation of non-GAAP financial measures may not be comparable to similar non-GAAP measures used by other companies. In addition to "at share" financial information, the following non-GAAP measures are included in this release:

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION ("EBITDA"), EBITDA FOR REAL ESTATE ("EBITDARE") AND ADJUSTED EBITDA

Management uses EBITDA and EBITDAre, non-GAAP financial measures, as supplemental operating performance measures and believes they help investors and lenders meaningfully evaluate and compare our operating performance from period-to-period by removing from our operating results the impact of our capital structure (primarily interest charges from our consolidated outstanding debt and the impact of our interest rate swaps) and certain non-cash expenses (primarily depreciation and amortization on our assets). EBITDAre is computed in accordance with the definition established by the National Association of Real Estate Investment Trusts ("NAREIT"). NAREIT defines EBITDAre as GAAP net income (loss) adjusted to exclude interest expense, income taxes, depreciation and amortization expenses, gains on sales of real estate and impairment losses of real estate, including our share of such adjustments of unconsolidated real estate ventures. These supplemental measures may help investors and lenders understand our ability to incur and service debt and to make capital expenditures. EBITDA and EBITDAre are not substitutes for net income (loss) (computed in accordance with GAAP) and may not be comparable to similarly titled measures used by other companies.

"Adjusted EBITDA," a non-GAAP financial measure, represents EBITDAre adjusted for items we believe are not representative of ongoing operating results, such as transaction and other costs, gain (loss) on the extinguishment of debt, distributions in excess of our net investment in consolidated real estate ventures, gain on the bargain purchase of a business, lease liability adjustments and share-based compensation expense related to the Formation Transaction and special equity awards. We believe that adjusting such items not considered part of our comparable operations, provides a meaningful measure to evaluate and compare our performance from period-to-period.

Because EBITDA, EBITDAre and Adjusted EBITDA have limitations as analytical tools, we use EBITDA, EBITDAre and Adjusted EBITDA to supplement GAAP financial measures. Additionally, we believe that users of these measures should consider EBITDA, EBITDAre and Adjusted EBITDA in conjunction with net income (loss) and other GAAP measures in understanding our operating results.

ESTIMATED POTENTIAL DEVELOPMENT DENSITY

''Estimated potential development density'' reflects management's estimate of developable gross square feet based on our current business plans with respect to real estate owned or controlled as of December 31, 2018. Our current business plans may contemplate development of less than the maximum potential development density for individual assets. As market conditions change, our business plans, and therefore, the Estimated Potential Development Density, could change accordingly. Given timing, zoning requirements and other factors, we make no assurance that estimated potential development density amounts will become actual density to the extent we complete development of assets for which we have made such estimates.

HISTORICAL COST, ESTIMATED INCREMENTAL INVESTMENT, ESTIMATED TOTAL INVESTMENT AND ESTIMATED TOTAL PROJECT COST

"Historical cost" is a non-GAAP measure which includes the total historical cost incurred by JBG SMITH with respect to the development of an asset, including any acquisition costs, hard costs, soft costs, tenant improvements (excluding free rent converted to tenant improvement allowances), leasing costs and other similar costs, but excluding any financing costs, ground rent expenses and capitalized payroll costs incurred as of December 31, 2018.

"Estimated incremental investment" means management's estimate of the remaining cost to be incurred in connection with the development of an asset as of December 31, 2018, including all remaining acquisition costs, hard costs, soft costs, tenant improvements (excluding free rent converted to tenant improvement allowances), leasing costs and

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other similar costs to develop and stabilize the asset but excluding any financing costs, ground rent expenses and capitalized payroll costs.

"Estimated total investment" means, with respect to the development of an asset, the sum of the historical cost in such asset and the estimated incremental investment for such asset.

"Estimated total project cost" is estimated total investment excluding purchase price allocation adjustments recognized as a result of the Formation Transaction.

Actual incremental investment, actual total investment and actual total project cost may differ substantially from our estimates due to numerous factors, including unanticipated expenses, delays in the estimated start and/or completion date, changes in design and other contingencies.

NET OPERATING INCOME ("NOI"), ANNUALIZED NOI AND TARGETED NOI YIELD

"NOI" is a non-GAAP financial measure management uses to measure the operating performance of our assets and consists of property-related revenue (which includes base rent, tenant reimbursements and other operating revenue, net of free rent and payments associated with assumed lease liabilities) less operating expenses and ground rent, if applicable. NOI also excludes deferred rent, related party management fees, interest expense, and certain other non-cash adjustments, including the accretion of acquired below-market leases and amortization of acquired above-market leases and below-market ground lease intangibles. Annualized NOI, for all assets except Crystal City Marriott, represents NOI for the three months ended December 31, 2018 multiplied by four. Due to seasonality in the hospitality business, annualized NOI for Crystal City Marriott represents the trailing 12-month NOI as of December 31, 2018. Management believes Annualized NOI provides useful information in understanding JBG SMITH's financial performance over a 12-month period, however, investors and other users are cautioned against attributing undue certainty to our calculation of Annualized NOI. Actual NOI for any 12-month period will depend on a number of factors beyond our ability to control or predict, including general capital markets and economic conditions, any bankruptcy, insolvency, default or other failure to pay rent by one or more of our tenants and the destruction of one or more of our assets due to terrorist attack, natural disaster or other casualty, among others. We do not undertake any obligation to update our calculation to reflect events or circumstances occurring after the date of this Investor Presentation. There can be no assurance that the annualized NOI shown will reflect JBG SMITH's actual results of operations over any 12-month period.

"Targeted NOI yield" means our estimated stabilized NOI reported as a percentage of (i) estimated total project costs, (ii) estimated total investment and/or (iii) estimated incremental investment, as applicable. Actual initial full year stabilized NOI yield may vary from the targeted NOI yield based on the actual incremental investment to complete the asset and its actual initial full year stabilized NOI, and there can be no assurance that we will achieve the targeted NOI yields described in this Investor Presentation.

As a part of our standard development underwriting process, we analyze the estimated initial full year stabilized NOI yield we expect to derive from each of our development assets and establish a targeted NOI yield. We caution you not to place undue reliance on the targeted NOI yields we present in this Investor Presentation because they are based solely on our estimates, using data available to us in our development underwriting processes. Our estimated initial full year stabilized NOI, estimated property-related revenue, estimated operating expenses and/or estimated incremental investment may differ substantially from our estimates due to various factors, including unanticipated capital expenditures and other expenses, delays in the estimated start and/or completion date and other contingencies, delays and/or difficulties in completing, leasing and stabilizing these assets, failure to obtain estimated occupancy and rental rates, inability to collect anticipated rental revenues, tenant bankruptcies and unanticipated expenses at these assets that we cannot pass on to tenants. We can provide no assurance that the initial yields we present will be consistent with the targeted NOI yields set forth in this Investor Presentation.

The Company does not provide reconciliations for non-GAAP estimates on a future basis, including adjusted annualized NOI and estimated stabilized NOI because it is unable to provide a meaningful or accurate calculation or estimate of reconciling items and the information is not available without unreasonable effort. This inability is due to the inherent difficulty of forecasting the timing and/or amounts of various items that would impact net income. Additionally, no reconciliation of targeted NOI yield to the most directly comparable GAAP measure is included in this Investor Presentation because we are unable to quantify certain amounts that would be required to be included in the comparable GAAP financial measures without unreasonable efforts because such data is not currently available or cannot be currently estimated with confidence. Accordingly, we believe such reconciliations would imply a degree of precision that would be confusing or misleading to investors.

Management uses each of these measures as supplemental performance measures for its assets and believes they provide useful information to investors because they reflect only those revenue and expense items that are incurred at the asset level, excluding non-cash items. In addition, NOI is considered by many in the real estate industry to be a useful starting point for determining the value of a real estate asset or group of assets.

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However, because NOI excludes depreciation and amortization and captures neither the changes in the value of our assets that result from use or market conditions, nor the level of capital expenditures and capitalized leasing commissions necessary to maintain the operating performance of our assets, all of which have real economic effect and could materially impact the financial performance of our assets, the utility of this measure of the operating performance of our assets is limited. Moreover, our method of calculating NOI may differ from other real estate companies and, accordingly, may not be comparable. NOI should be considered only as a supplement to net operating income (loss) (computed in accordance with GAAP) as a measure of the operating performance of our assets.

DC EMERGING

Includes the U Street/Shaw, Brookland/Fort Totten, H Street/NoMa, Ballpark/Southeast, and Southwest submarkets.

DC MATURE

Includes the Uptown, CBD, Georgetown, West End, and Woodley Park submarkets.

FORMATION TRANSACTION

"Formation Transaction" refers collectively to the spin-off on July 17, 2017 of substantially all of the assets and liabilities of Vornado's Washington, DC segment, which operated as Vornado/Charles E. Smith, and the acquisition of the management business and certain assets and liabilities of The JBG Companies.

FUTURE DEVELOPMENT

"Future development" refers to assets that are development opportunities on which we do not intend to commence construction within 18 months of December 31, 2018 where we (i) own land or control the land through a ground lease or (ii) are under a long-term conditional contract to purchase, or enter into a leasehold interest with respect to land.

GAAP

"GAAP" refers to accounting principles generally accepted in the United States of America.

JBG ASSETS

"JBG Assets" refers to the management business and certain assets and liabilities of The JBG Companies acquired on July 18, 2017 by JBG SMITH.

NET ASSET VALUE (NAV)

"Net Asset Value" ("NAV") represents management's estimate as of a particular date of the fair market value of our Operating Portfolio, Under Construction assets, Future Development Pipeline assets and our third-party asset management and real estate services business plus our pro rata share of tangible assets and cash and cash equivalents less our pro rata share of total debt and total tangible liabilities.

NET DEBT

"Net Debt" is a non-GAAP measure that represents total pro forma indebtedness less cash and cash equivalents, which have been adjusted for expected facility draws and proceeds from secured financings less estimated transaction costs. We use net debt to review the liquidity of our operations and believe that net debt provides useful information to management and shareholders regarding the level of indebtedness and our ability to pursue business opportunities and investments. Net debt is not a measure of our liquidity under GAAP and should not be considered an alternative to cashflows from operating or financing activities.

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SAME STORE AND NON-SAME STORE

"Same store" refers to the pool of assets that were in service for the entirety of both periods being compared, except for assets for which significant redevelopment, renovation, or repositioning occurred during either of the periods being compared. No JBG Assets are included in the same store pool for the year ended December 31, 2018.

"Non-same store" refers to all operating assets excluded from the same store pool.

SQUARE FEET

''Square feet'' or ''SF'' refers to the area that can be rented to tenants, defined as (i) for commercial assets, rentable square footage defined in the current lease and for vacant space the rentable square footage defined in the previous lease for that space, (ii) for multifamily assets, management's estimate of approximate rentable square feet, (iii) for assets under construction and near-term development assets, management's estimate of approximate rentable square feet based on current design plans as of December 31, 2018, or (iv) for future development assets, management's estimate of developable gross square feet based on its current business plans with respect to real estate owned or controlled as of December 31, 2018.

TOTAL ENTERPRISE VALUE

"Total Enterprise Value" means our total equity market capitalization plus our total consolidated and unconsolidated indebtedness less cash and cash equivalents.

UNDER CONSTRUCTION

''Under construction'' refers to assets that were under construction during the three months ended December 31, 2018.

VORNADO INCLUDED ASSETS

"Vornado Included Assets" refers to certain assets and liabilities of Vornado Realty Trust's Washington, D.C. segment, which operated as Vornado/Charles E. Smith, received by JBG SMITH via the spin-off on July 17, 2017.

EBITDA, EBITDARE AND ADJUSTED EBITDA (NON-GAAP)
(UNAUDITED)

	Three Months Ended December 31, 2018	Year Ended December 31, 2018
EBITDA, EBITDAre and Adjusted EBITDA		
Net income	$ 994	$ 46,613
Depreciation and amortization expense	67,556	211,436
Interest expense [1]	18,184	74,447
Income tax benefit (expense)	698	(738)
Unconsolidated real estate ventures allocated share of above adjustments	10,253	42,016
Allocated share of above adjustments to noncontrolling interests in consolidated real estate ventures	(182)	(53)
EBITDA	**$ 97,503**	**$ 373,721**
Gain on sale of real estate	(6,394)	(52,183)
Gain on sale of unconsolidated real estate assets	(20,554)	(36,042)
EBITDAre	**$ 70,555**	**$ 285,496**
Transaction and other costs [2]	15,572	27,706
Loss on extinguishment of debt	617	5,153
Reduction of gain on bargain purchase	—	7,606
Share-based compensation related to Formation Transaction and special equity	9,118	36,030
Distributions in excess of our net investment in unconsolidated real estate	(7,374)	(13,676)
Unconsolidated real estate ventures allocated share of above adjustments	1,542	1,572
Lease liability adjustments	(7,422)	(9,965)
Allocated share of above adjustments to noncontrolling interests in consolidated real estate ventures	—	(124)
Adjusted EBITDA	**$ 82,608**	**$ 339,798**
Net Debt to Adjusted EBITDA [4]	**6.5x**	**6.3x**

	December 31, 2018
Net Debt (at JBG SMITH Share)	
Consolidated indebtedness [5]	$ 2,130,704
Unconsolidated indebtedness [5]	298,588
Total consolidated and unconsolidated indebtedness	2,429,292
Less: cash and cash equivalents	273,611
Net Debt (at JBG SMITH Share)	**$ 2,155,681**

(1) *Interest expense includes the amortization of deferred financing costs and the marking-to-market of interest rate swaps and caps, net of capitalized interest.*

(2) *Includes fees and expenses incurred in connection with the Formation Transaction (including transition services provided by our former parent, integration costs and severance costs), costs related to the pursuit of Amazon HQ2, and costs related to other completed, potential and pursued transactions.*

(3) *Related to our investment in the real estate venture that owns 1101 17th Street. In June 2018, the mortgage loan payable that was collateralized by 1101 17th Street was refinanced eliminating the principal guaranty provisions that had been included in the prior loan. At the time of refinancing, distributions and our share of the cumulative earnings of the venture exceeded our investment in the venture by $5.4 million, which resulted in a negative investment balance. After the elimination of the principal guaranty provisions in the prior mortgage loan, we recognized the $5.4 million negative investment balance as income within "Income from unconsolidated real estate ventures, net" in our statements of operations for the year ended December 31, 2018, which results in a zero investment balance in the real estate venture that owns 1101 17th Street in our balance sheet as of December 31, 2018. We have also suspended the equity method of accounting for this venture and recognized as income in the three months and year ended December 31, 2018, $7.4 million and $8.3 million related to cash distributions.*

(4) *Adjusted EBITDA for the three months ended December 31, 2018 is annualized by multiplying by four.*

(5) *Net of premium/discount and deferred financing costs.*

NOI RECONCILIATIONS (NON-GAAP)
(UNAUDITED)

dollars in thousands	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Net income (loss) attributable to common shareholders	$ 710	$ (16,418)	$ 39,924	$ (71,753)
Add:				
Depreciation and amortization expense	67,556	51,933	211,436	161,659
General and administrative expense:				
Corporate and other	8,512	7,437	33,728	39,350
Third-party real estate services	25,274	21,557	89,826	51,919
Share-based compensation related to Formation Transaction	9,118	14,806	36,030	29,251
Transaction and other costs	15,572	12,566	27,706	127,739
Interest expense	18,184	14,328	74,447	58,141
Loss on extinguishment of debt	617	12	5,153	701
Reduction of gain (gain) on bargain purchase	—	3,395	7,606	(24,376)
Income tax expense (benefit)	698	(9,595)	(738)	(9,912)
Net (income) loss attributable to redeemable noncontrolling interests	178	(2,331)	6,710	(7,328)
Less:				
Third-party real estate services, including reimbursements	26,421	24,355	98,699	63,236
Other income	1,454	1,466	6,358	5,167
Income (loss) from unconsolidated real estate ventures, net	23,991	(2,778)	39,409	(4,143)
Interest and other income, net	9,991	422	15,168	1,788
Gain on sale of real estate	6,394	—	52,183	—
Net (income) loss attributable to noncontrolling interests	(106)	3	21	3
Consolidated NOI	78,274	74,222	319,990	289,340
NOI attributable to consolidated JBG Assets [1]	—	—	—	24,936
Proportionate NOI attributable to unconsolidated JBG Assets	—	—	—	8,688
Proportionate NOI attributable to unconsolidated real estate ventures	8,847	8,646	36,824	21,530
Non-cash rent adjustments [2]	(6,691)	887	(10,349)	(6,715)
Other adjustments [3]	5,110	5,842	19,638	11,587
Total adjustments	7,266	15,375	46,113	60,026
NOI	**$ 85,540**	**$ 89,597**	**$ 366,103**	**$ 349,366**
Non-same store NOI [4]	**8,742**	**6,656**	**115,801**	**96,342**
Same store NOI [5]	**$ 76,798**	**$ 82,941**	**$ 250,302**	**$ 253,024**
Growth in same store NOI	(7.4%)		(1.1%)	
Number of properties in same store pool	57		32	

(1) *Includes financial information for the JBG Assets as if the July 18, 2017 acquisition of the JBG Assets had been completed as of the beginning of the period presented.*

(2) *Adjustment to exclude straight-line rent, above/below market lease amortization and lease incentive amortization.*

(3) *Adjustment to include other income and payments associated with assumed lease liabilities related to operating properties, and exclude incidental income generated by development assets and commercial lease termination revenue. Includes property management fees of $4.1 million and $4.2 million for the three months ended December 31, 2018 and 2017 and $16.6 million and $7.8 million for the years ended December 31, 2018 and 2017.*

(4) *Includes the results for properties that were not owned, operated and in service for the entirety of both periods being compared and properties for which significant redevelopment, renovation or repositioning occurred during either of the periods being compared.*

(5) *Includes the results of the properties that are owned, operated and in service for the entirety of both periods being compared except for properties for which significant redevelopment, renovation or repositioning occurred during either of the periods being compared.*



JBG SMITH