KBS Real Estate Investment Trust III

Portfolio & Strategic Plan Update

August 20, 2020

Important Disclosures

The information contained herein should be read in conjunction with, and is qualified by, the information in KBS Real Estate Investment Trust III's (the "Company" or "KBS REIT III") Annual Report on Form 10-K for the year ended December 31, 2019 (the "Annual Report"), and in the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2020 (the "Quarterly Report"), including the "Risk Factors" contained therein. For a full description of the limitations, methodologies and assumptions used to value the Company's assets and liabilities in connection with the calculation of the Company's estimated value per share, see the Company's Current Report on Form 8-K, filed with the SEC on December 12, 2019.

Forward-Looking Statements

Certain statements contained herein may be deemed to be forward-looking statements within the meaning of the Federal Private Securities Litigation Reform Act of 1995. The Company intends that such forward-looking statements be subject to the safe harbors created by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include statements regarding the intent, belief or current expectations of the Company and members of its management team, as well as the assumptions on which such statements are based, and generally are identified by the use of words such as "may," "will," "seeks," "anticipates," "believes," "estimates," "expects," "plans," "intends," "should" or similar expressions. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. The Company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time, unless required by law. Such statements are subject to known and unknown risks and uncertainties which could cause actual results to differ materially from those contemplated by such forward-looking statements. The Company makes no representation or warranty (express or implied) about the accuracy of any such forward-looking statements. These statements are based on a number of assumptions involving the judgment of management.

You should interpret many of the risks identified in this presentation, in our Annual Report and in our Quarterly Report as being heightened as a result of the ongoing and numerous adverse impacts of the COVID-19 pandemic. The COVID-19 pandemic, together with the resulting measures imposed to help control the spread of the virus, including quarantines, "shelter in place" and "stay at home" orders, travel restrictions, restrictions on businesses and school closures, has had a negative impact on the economy and business activity globally. The extent to which the COVID-19 pandemic impacts the Company's operations and those of its tenants and the Company's investments in Prime US REIT and a real estate loan receivable depends on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures, among others. If tenants default on their rent and vacate, the ability to re-lease this space is likely to be more difficult if the economic slowdown continues and any long term impact of this situation, even after an economic rebound, remains unclear. Further, significant reductions in rental revenue in the future related to the impact of the COVID-19 pandemic may limit our ability to draw on our revolving credit facilities or exercise our extension options due to covenants described in our loan agreements.

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Important Disclosures (cont.)

Forward-Looking Statements

The Company may fund distributions from any source including, without limitation, from offering proceeds or borrowings. Distributions paid through June 30, 2020 have been funded with cash flow from operating activities, debt financing and proceeds from asset sales. There are no guarantees that the Company will continue to pay distributions or that distributions at the current rate are sustainable. No assurances can be given with respect to distributions. Actual events may cause the value and returns on the Company's investments to be less than that used for purposes of the Company's estimated NAV per share. With respect to the estimated NAV per share, the appraisal methodology used for the appraised properties assumed the properties realize the projected net operating income and expected exit cap rates and that investors would be willing to invest in such properties at yields equal to the expected discount rates. The valuation for the Company's investment in units of Prime US REIT assumed a discount for the holding period risk attributable to transfer restrictions and blockage due to the quantity of units held by the Company and such discount is driven by trading volume in Prime US REIT's units in the public market and expected future volatility.

Though the appraisals of the appraised properties and the valuation of the Company's investment in units of Prime US REIT, with respect to Duff & Phelps, and the valuation estimates used in calculating the estimated value per share, with respect to Duff & Phelps, the Company's advisor and the Company, were the respective party's best estimates as of September 30, 2019, December 3, 2019 or December 4, 2019, as applicable, the Company can give no assurance in this regard. Even small changes to these assumptions could result in significant differences in the appraised values of the appraised properties, the valuation of the Company's investment in units of Prime US REIT and the estimated value per share. Further, the Company can make no assurances with respect to the future value appreciation of its properties and ultimate returns to investors. The estimated NAV per share does not reflect the impact of the COVID-19 pandemic on portfolio values.

Stockholders may have to hold their shares for an indefinite period of time. The Company can give no assurance that it will be able to provide additional liquidity to stockholders. The Company's conflicts committee, which is composed of all of its independent directors, has approved the pursuit of the Company's conversion to a perpetual-life NAV REIT. However, the Company's conversion to an NAV REIT remains subject to further approval of the conflicts committee and board of directors, and regulatory, market or business considerations, including the impact of the COVID-19 pandemic on the markets and the Company's operations, may influence the Company to delay the implementation of the NAV REIT conversion or abandon the Company's conversion to an NAV REIT. Even if the Company converts to an NAV REIT, there is no assurance that the Company will successfully implement its strategy.

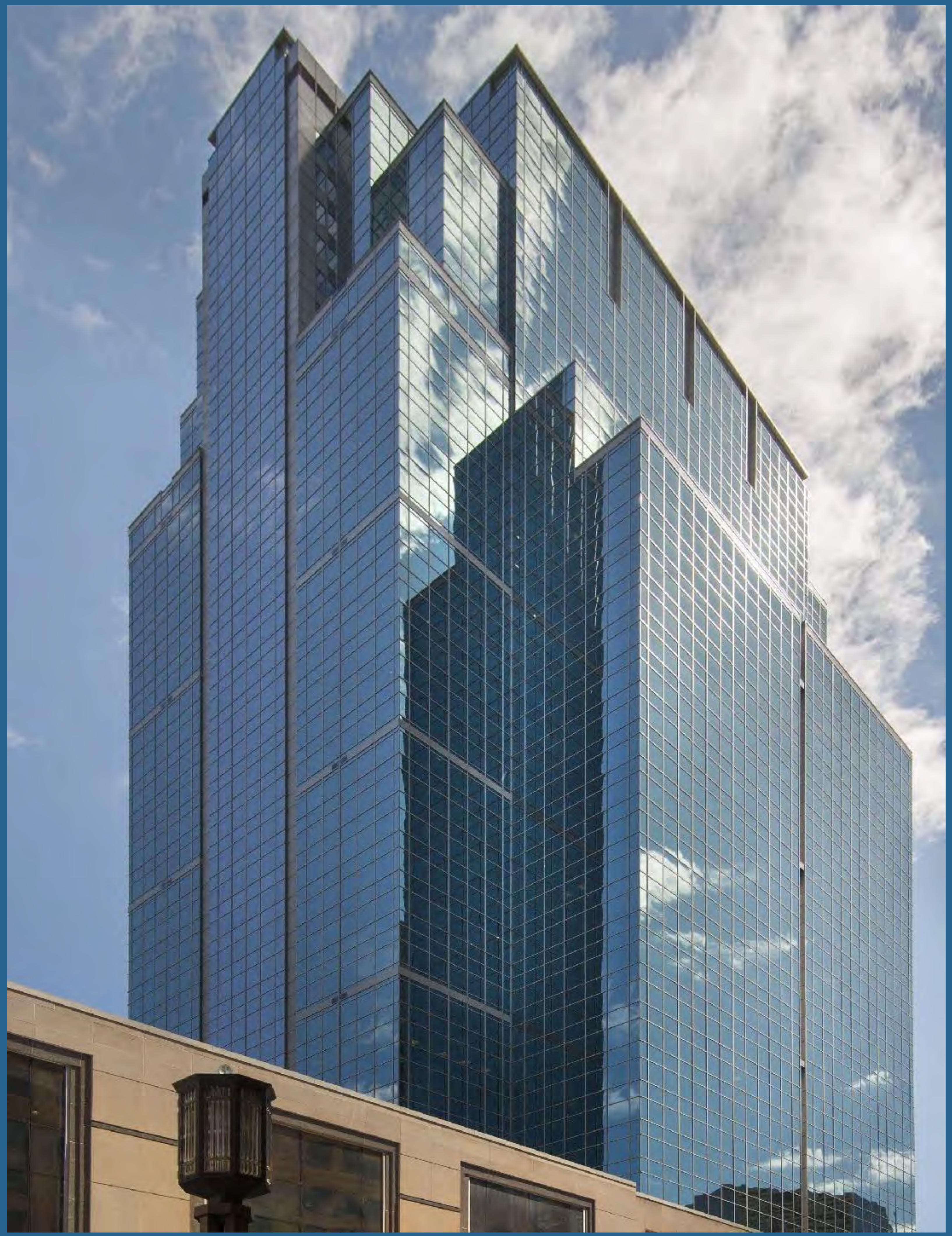
The statements herein also depend on factors such as: future economic, competitive and market conditions; the Company's ability to maintain and/or improve occupancy levels and rental rates at its real estate properties; and other risks identified in Part I, Item IA of the Company's Annual Report and in Part II, Item 1A of the Company's Quarterly Report.

About KBS

Formed by Peter Bren and Chuck Schreiber in 1992.

Over 27 years of investment and management experience with extensive long-term investor relationships.

- Transactional volume in excess of $42.7 billion[1], AUM of $8.0 billion[1] and 23.2 million square feet under management[1].
- Buyer and seller of well-located, yield-generating office and industrial properties.
- Advisor to public and private pension plans, endowments, foundations, sovereign wealth funds and publicly registered non-traded REITs.
- A trusted landlord to thousands of office and industrial tenants nationwide.
- A preferred partner with the nation's largest lenders.
- A development partner for office, mixed-use and multi-family developments.



1 As of June 30, 2020.

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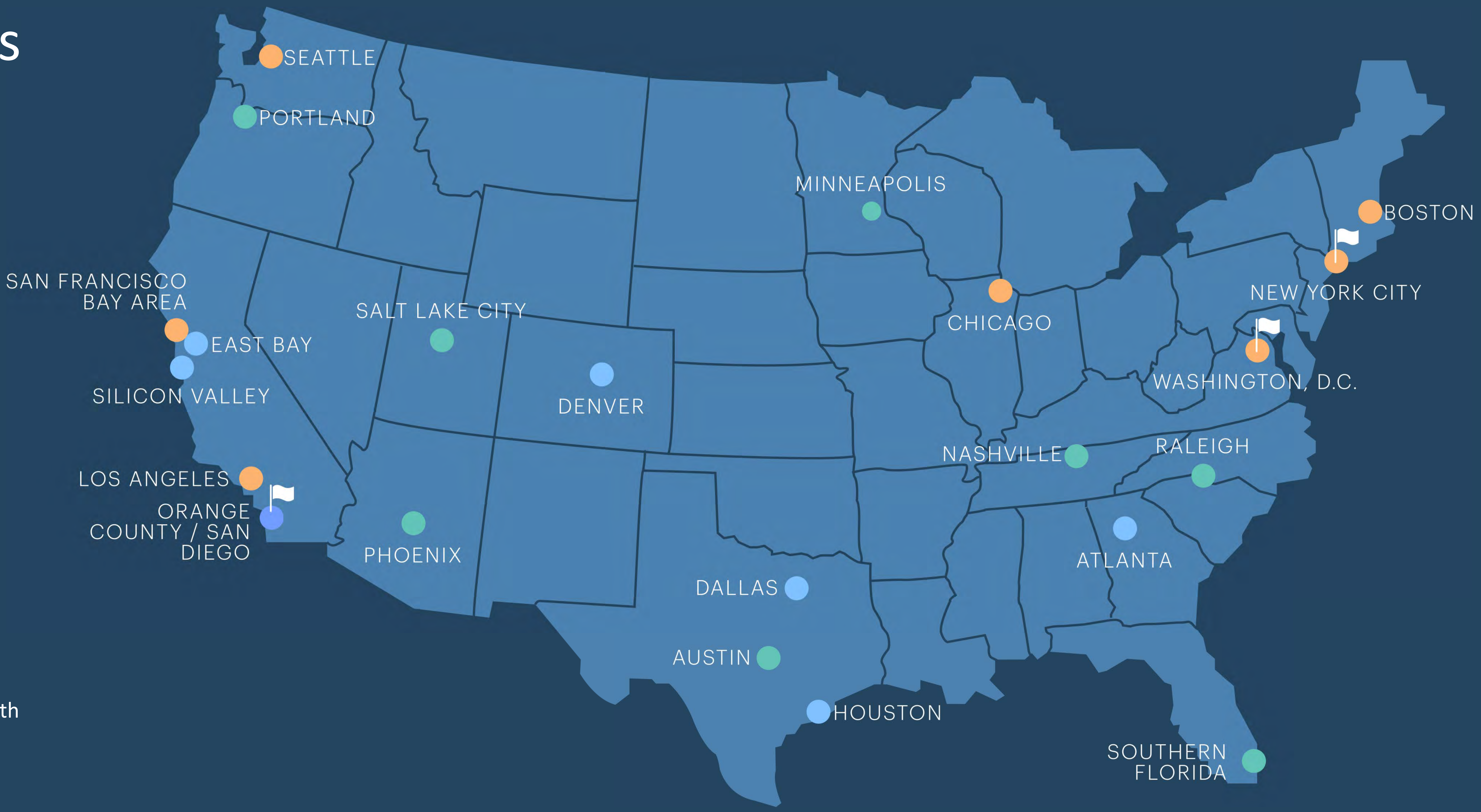
Regional Focus Map



Gateway Target

First-tier Target

Strong Employment / Growth

KBS Offices

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The Impact of COVID-19 on Capital Markets and US Real Estate Investments

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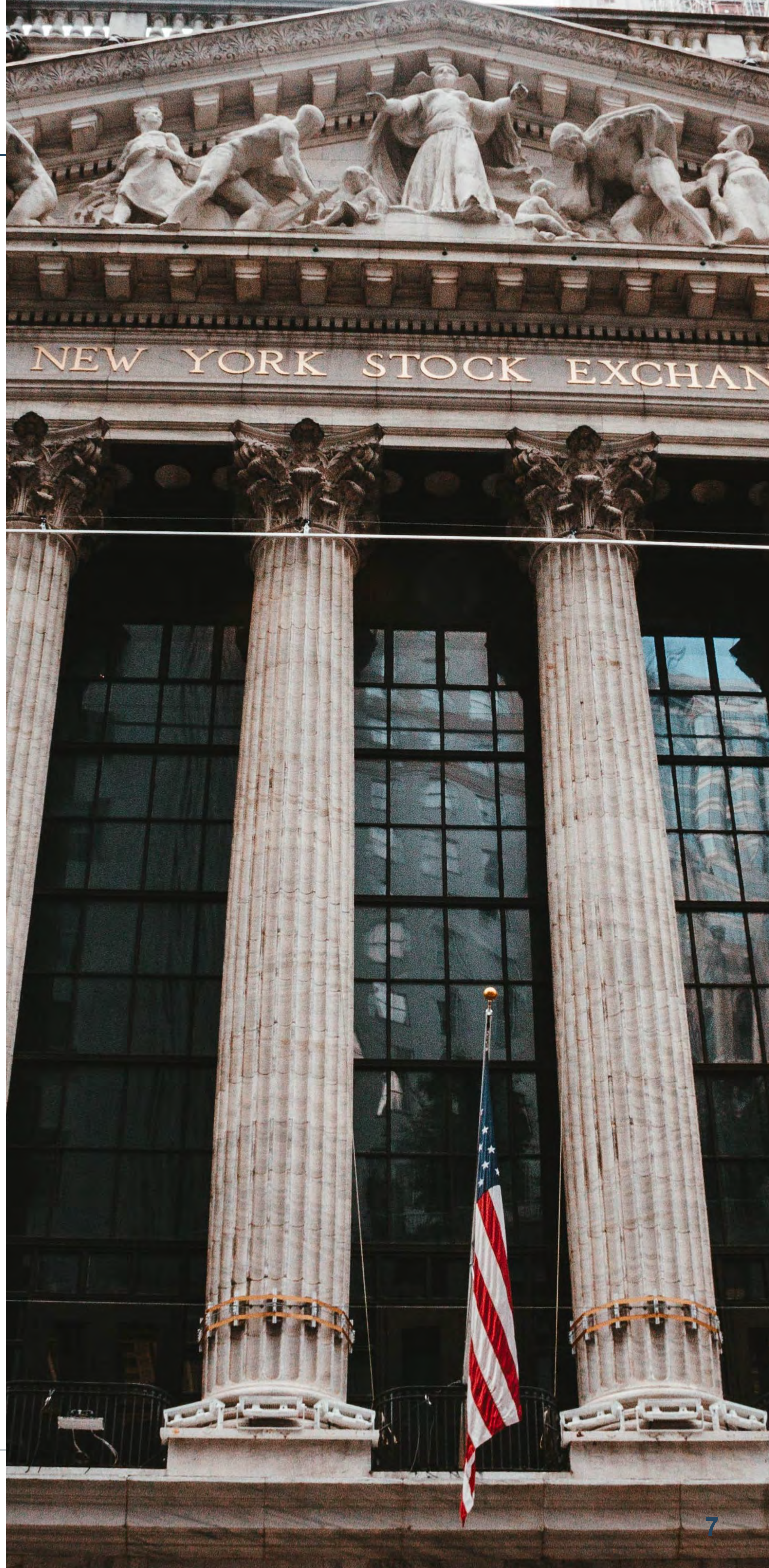
COVID-19:The Economy

- The Department of Commerce reported that U.S. gross domestic product (GDP), the broadest measure of the nation's economic output, fell by an annualized rate of 5% in the first quarter followed by an even steeper decline of 33% in the second quarter based on initial estimates. Almost 13 million jobs were lost in the second quarter, despite strong job gains in May and June. [1]
- On the whole, the US Office market remains relatively resilient, though not immune to the economic downturn. The US shed about 4 million office-using jobs between the first and second quarters, but a far cry from the 40 million-plus jobless claims filed since mid-March. [1]
- As restrictions are substantially lifted, there is potential for a strong economic recovery taking hold in the second half of 2020 and lasting into 2021. Auto and air travel are increasing and customers are returning to those restaurants that have reopened for dining. Continued momentum will depend on further fiscal stimulus and a vaccine for COVID-19.[2]

[1] CoStar, US Office National Report, 2Q 2020
[2] CBRE, Midyear Review, Global Real Estate Market Conditions Outlook 2020



COVID-19: Office Market Demand

- According to CoStar, the full impact of the coronavirus outbreak on the US Office sector remains unclear, but expectations are for a drop-off in leasing and transaction volume to continue beyond the second quarter. The vacancy rate is still below the historical average of about 11%, and well below the 13%-plus rates following the Great Recession.[1]
- The US had strong fundamentals heading into this downturn which has mitigated some of the pain. Additionally, there hasn't been a large spike in sublease space which would compound any vacancy rate increases. [1]
- Some loss of office-using employment will lower leasing demand this year, dropping absorption into negative territory. Most of the negative impacts on demand and values should be confined to this year, with the potential for a robust bounce back in 2021.[2]
- New supply is delivering into a stagnant leasing environment. But, many of the major projects delivering by the end of this year broke ground well before the pandemic hit and had secured significant pre-lease commitments. [1]

[1]CoStar, U.S. Office National Report, 2Q 2020
[2]CBRE, Midyear Review, Global Real Estate Market Conditions Outlook 2020

COVID-19: Office Market – the Road to Recovery

- The office market likely will see several quarters of subdued activity until a clearer timeline for reopening appears and a vaccine is developed. This will allow occupiers to effectively plan reopening of workplaces and accurately forecast future needs. CBRE projects that a recovery for most commercial real estate sectors—aside from industrial and multifamily—will not start in earnest until 2021. A full recovery of office demand is not expected until late 2022, and not until 2024 for retail. Hotels should see a full recovery in demand by late 2023.[1]
- A recovery is already underway, aided by an unprecedented level of fiscal and monetary stimulus, as well as pent-up demand. The recession is expected to depress interest rates for at least two years, which could support capital flows to commercial real estate. Companies likely will wait until the economic recovery appears firm and sustainable before they lease more space, meaning that a recovery for commercial real estate could lag the economic recovery by at least six months.[2]

> "What we've seen in the course of the crisis is just the rapid growth of the digital economy, in particular, the rapid adoption of technologies around meetings. I think it just gives more scope for people working from one or two or three locations. I remain convinced that the office sector is viable in the long term. It's where people meet. It's where creativity happens. It's where clients get helped. That's where we train and bring in younger people into the workforce. And all those things are going to need to reestablish themselves. I think the office sector will bounce back."[3]
>
> Richard Barkham, CBRE Chief Global Economist

[1] CBRE, U.S. Economic Watch, "Q2 GDP Contracts by 32.9%", July 30, 2020
[2] CBRE, Midyear Review, Global Real Estate Market Conditions Outlook 2020
[3] CBRE, Richard Barkham, CBRE Global Chief Economist, The Weekly Take, "The Outlook for Commercial Real Estate's Recovery", August 10, 2020

COVID-19: Space Planning and Facilities Management

- Most firms appear to be in no hurry to make major real estate decisions right now. This point is underscored by the spread between renewal deals and new deals. If tenants aren't facing an imminent lease expiration, real estate decisions are on the back burner.[1]
- The work-from-home experiment has proven technically possible, but at a potential cost to corporate culture, collaboration and innovation. A pure work-from-home approach has its drawbacks, as company culture suffers, collaboration is challenged and the chance of employee burnout increases. [2]
- Any increase in remote-working represents a headwind to office demand, with wider ramifications in terms of location priorities for investors and occupiers, though we believe that such headwinds will be offset by the need for companies to lower workplace density long term. [2]
- The need to maintain low workplace density and ensure adequate social distancing is requiring employers to institute schedules that have a combination of some employees working in the physical office and others at home.[2]
- An enhanced focus on health and safety is expected this year and KBS is on the forefront implementing new HVAC air cleaning and filtration systems including heavier-duty HVAC filters that block microbes. Other new concepts include UV light or electrically charged particles in the ductwork to kill the virus. KBS is helping many tenants to reconfigure spaces to maintain safer distances, management of foot flow, scheduling and sanitation protocols.
- We believe office space is critical for companies not only for collaboration and results, but also in attracting and training new talent.

[1]CoStar, U.S. Office National Report, 2Q 2020
[2]CBRE, Midyear Review, Global Real Estate Market Conditions Outlook 2020

COVID-19:
Rent Collections, Renewals and the Capital Markets

- Cash payment for office rents bottomed in May at 82% of pre-COVID levels and recovered to 95% in June. Primary markets saw significant declines in cash payments but are now recovering.[1]
- In the U.S., average rents are expected to fall by more than 6% this year—the first annual decline since 2010.[2]
- As current leases expire, many occupiers are choosing short-term renewals due to economic uncertainty. The process of portfolio rebalancing will take at least three years before occupiers achieve an equilibrium that satisfies lower density for social distancing and higher levels of remote working.[2]
- Rent growth varies by market. In general, the strongest performers remain sunbelt markets such as Charlotte, Raleigh, Palm Beach and Atlanta. Additionally, growth in some tech and bio-tech hubs such as San Diego, Seattle and Boston has been holding up relatively well.[3]
- Demand for financing is down due to fewer sales transactions, but the refinancing market remains active. New loans have more restrictive credit standards, such as lower loan-to-value ratios, and the cost of borrowing has increased slightly. Nevertheless, the private equity world has ample liquidity. [2]
- Capital available for real estate investment is estimated at $328 billion globally according to the Preqin 2020 Global Real Estate Report. Risk-averse institutional investors, such as pension funds and insurance companies, will continue to invest in core and income-driven assets.[2]

[1] CBRE US Marketflash, August 10, 2020, “COVID & Collections: Are Occupiers Paying their Bills?”
[2] CBRE, Midyear Review, Global Real Estate Market Conditions Outlook 2020
[3] CoStar, U.S. Office National Report, 2Q 2020

COVID-19:
Rent Collections

Depending upon the duration of the various measures imposed to help control the spread of the virus and the corresponding economic slowdown, some of the Company's tenants have or will seek rent deferrals or become unable to pay their rent. Through August 7th, rent collections are as follows:

Period of Rent Collected	% of Rent Collected
Q2 2020	97%
July 2020	93%

The Company has received short-term rent relief requests from tenants who have been directly impacted by mandated closures. The Company evaluates each request on an individual basis. From the start of the COVID-19 crisis through July 2020, the Company has provided temporary deferrals of base rent of approximately 2.2% of total rent billings that primarily will be paid back over a range of 12 to 24 months. In addition, the Company has given short-term rent abatements to a number of tenants within the portfolio's minor population of retail and restaurant tenants.

In most cases, it is in the Company's best interest to help its tenants remain in business and reopen when shelter-in-place orders or other mandated closures are lifted.

Rent relief requests to date may not be indicative of collections or requests in any future period.

COVID-19
Capital Markets

Capital Management

The impact of COVID-19 has placed significant constraints on corporate liquidity in the financial markets. As a result, we are slightly delaying the timing of refinancings and certain asset sales. We believe the Company's low leverage and liquidity position with the ability to tap into available credit facilities enhances our ability to manage portfolio cash needs through this pandemic.

	JUNE 30, 2020
Total Debt	$1.5 billion
Loan-to-Value	42.3%
Average cost of debt	3.07% per annum
Average term to initial maturity	1.7 years
Average term to fully extended maturity	3.6 years
Total unhedged variable rate debt	$331 million

COVID-19:
Impact on Portfolio

We believe the KBS REIT III portfolio is positioned to manage any short-term economic impact from COVID-19 based on our liquidity, diversified tenant base, long term leases, property locations and exposure to high growth industries. The top tenants include tenants such as RBC Capital, Accenture, Indeed, FIS Global and Adobe Systems. Nevertheless, the COVID-19 pandemic presents risks and uncertainties and the full impact of the pandemic is still unknown.

Our primary investment objectives have been and continue to be providing attractive and stable cash distributions while seeking moderate value growth.

19 Class A Properties Located in 12 Different Markets

Over 640 Tenants with Staggered Lease Expirations

4.6 Years Weighted Average Lease Term

7.8 Million RSF, 90.8% Leased

Vast Majority of Leases have 1-3% Built-in Rent Escalations

Flexible Debt Structure

Industry Diversification
No one sector represents over 18.1% of Portfolio

In-place Rents 10% Below Market

29% STEM / TAMI Tenants

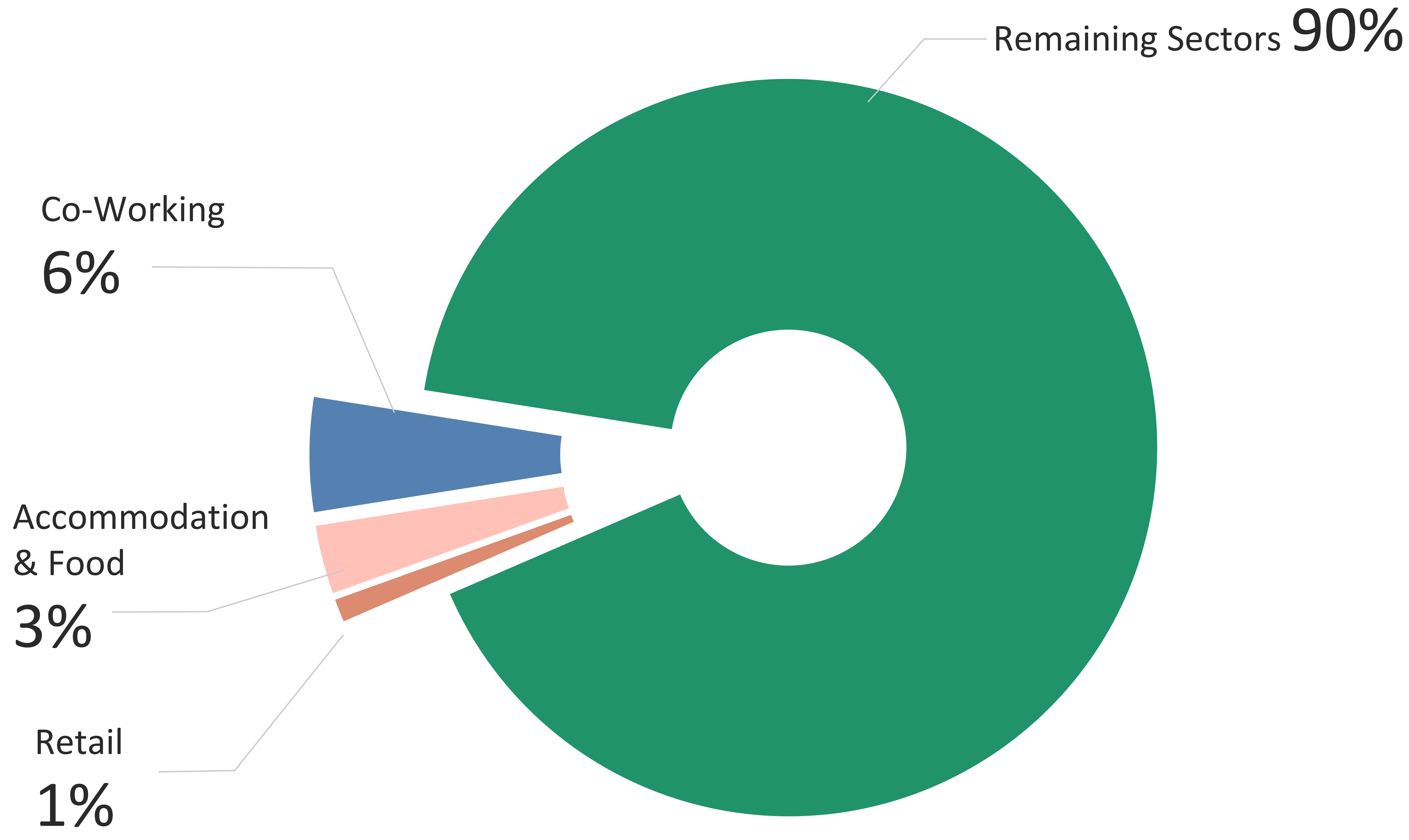
COVID-19 Impact (cont.)

Certain industries are experiencing greater economic disruption due to COVID-19 compared to others. These industries include the Co-working Space, Accommodations & Food and Retail. However, the Company expects nominal impact from these industries due to the following:

- The majority of the sub-tenants in our Co-working space consist of enterprise type tenants, of which Google makes up nearly 50% of the total annualized base rent.
- The portfolio has minimal exposure to retail and accommodation & food.

Co-Working, Accommodations & Food and Retail Tenant Exposure

Based on Annualized Base Rent[1]



1 Annualized base rent represents annualized contractual base rental income as of June 30, 2020, adjusted to straight-line any contractual tenant concessions (including free rent), rent increases and rent decreases from the lease's inception through the balance of the lease term. Percent of annualized base rent is based on total annualized base rent of the current portfolio.

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COVID-19 Impact (cont.)

Distributions

While there is some near term impact to revenues, our exposure to the industries that are currently most impacted by COVID-19 is limited. Based on rent collections through July 2020, the Company's Board of Directors has **maintained the same distribution rate from April through September** compared to the distribution rate for the first three months of 2020. The ability to maintain a consistent dividend from April to September (during the COVID-19 crisis) illustrates the strength and diversity of the tenant base within the real estate portfolio.

Distribution History:

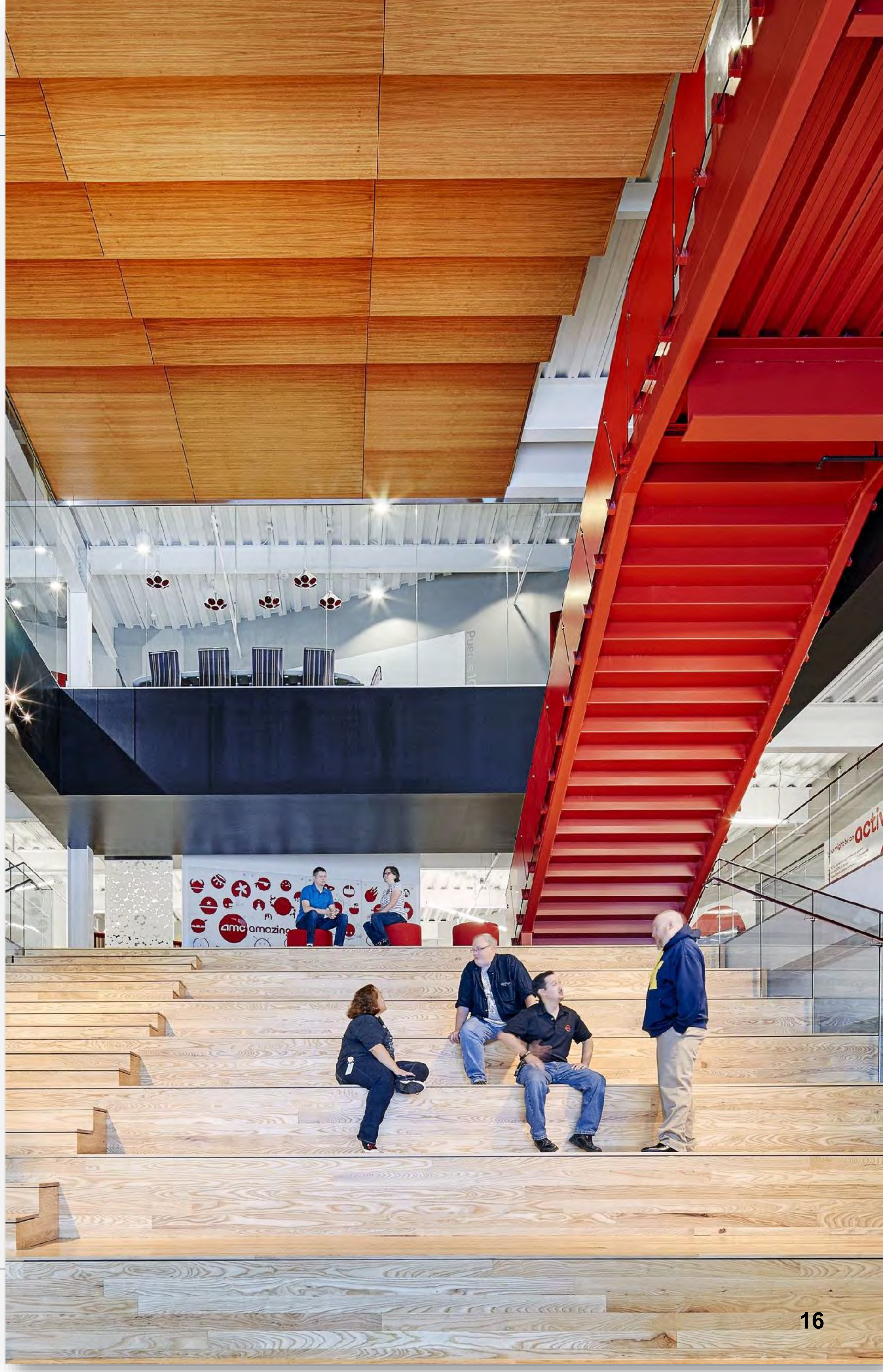
Special Dividend	
December 2019	$0.80/share

Distributions	
January 1, 2019 – December 31, 2019	$0.65/share*
January 2020 – September 2020[1,2]	$0.60/share*

*On an annualized basis

[1] Decrease in annualized distribution rate per share is due to a special dividend of $0.80/share that was paid to stockholders in December 2019 (the "Special Dividend"). The Special Dividend was paid in the form of cash and stock and the decrease in distribution per share to a stockholder would be fully or partially offset by the increase in total shares outstanding as a result of the Special Dividend depending on whether the stockholder elected all stock or received part of the distribution in cash. If an investor elected to receive 100% of the Special Dividend in stock, the total distribution received per month during January through September of 2020 would be comparable to the monthly distribution received prior to 2020.

[2] Distributions for August and September 2020 have been declared but not yet paid.



KBS Real Estate Investment Trust III

Fund and Portfolio Overview

Fund and Portfolio Overview[1]

As of June 30, 2020, unless otherwise noted.

December 2019 Estimated Value of Current Portfolio of Properties[1]

$3.2 billion

June 30, 2020 Value of Investment in units of PRIME US REIT [2]

$225.9 million

June 30, 2020 Carrying Value of Loan Receivable [3]

$147.6 million

Rentable Square Feet

7.8 million

Total Leased Occupancy[4]

90.8%

Total Leverage (Loan-to-Value)[5]

42.3%

Annualized Monthly Distribution Rate – Q1 & Q2 2020 [6]

$0.60/share ordinary distributions

1 Current portfolio of properties as of June 30, 2020, value based solely on the appraised values as of September 30, 2019 as reflected in the December 2019 estimated share value and does not reflect the impact of the COVID-19 pandemic on portfolio values. The appraised values do not consider estimated disposition costs and fees.
2 The estimated value of KBS REIT III's investment in Prime US REIT units was based on the closing price of the units on the SGX of $0.78 per unit as of June 30, 2020 and does not take into account potential blockage due to the quantity of units KBS REIT III owns.
3 The carrying value of the loan receivable is based on amortized cost, net of allowances for credit losses (if any) as of June 30, 2020.
4 Includes future leases that had been executed but had not yet commenced as June 30, 2020.
5 Calculated as total debt as of June 30, 2020, divided by the December 2019 estimated value of the portfolio of properties of $3.2 billion, current value of investment in PRIME US REIT as of June 30, 2020 and carrying value of loan receivable as of June 30, 2020.
6 On an annualized basis. During Q1 and Q2 2020, KBS REIT III declared monthly distributions at a rate of $0.04983333/share

The Current Portfolio of Properties

Property	Metro City	Building Class (A,B or C)	Sq. Ft.	Classification (CBD, Urban, Suburban)	Mass Transit Availability	Leased Occupancy at Acquisition	Leased Occupancy at June 30, 2020[1]
WEST							
Anchor Centre	Phoenix	A	333,014	Suburban	Metro	78%	94%
Salt Lake Hardware	Salt Lake City	A	210,256	CBD	Metro/Light Rail	92%	89%
201 Spear	San Francisco Bay Area	A	252,591	CBD	Subway/Metro/Light Rail	84%	97%
Ten Almaden	San Francisco Bay Area	A	309,255	CBD	Metro/Light Rail	89%	94%
The Almaden	San Francisco Bay Area	A	416,126	CBD	Metro/Light Rail	95%	99%
Towers II & III at Emeryville	San Francisco Bay Area	A	592,811	Urban	Metro/Light Rail/Shuttle	85%	81%
CENTRAL							
Legacy Tower Center	Dallas	A	522,043	Urban	None	89%	93%
Preston Commons	Dallas	A	427,799	Urban	None	88%	82%
Sterling Plaza	Dallas	A	313,609	Urban	None	87%	97%
RBC Plaza	Minneapolis	A	710,332	CBD	Metro/Light Rail	86%	99%
Domain Gateway	Austin	A	183,911	Urban	Metro/Light Rail	100%	100%
515 Congress	Austin	A	263,058	CBD	Metro/Light Rail	95%	86%
EAST							
Park Place Village	Kansas City	A	483,984	Suburban	None	95%	83%
Accenture Tower	Chicago	A	1,457,724	Urban	Subway/Metro	93%	87%
Carillon	Charlotte	A	488,277	Urban	Metro/Light Rail	92%	92%
201 17th Street	Atlanta	A	355,870	Urban	Shuttle	93%	96%
3001 Washington	Washington, D.C.	A	94,836	Urban	Metro	31%	100%
3003 Washington	Washington, D.C.	A	211,054	Urban	Metro	96%	99%
McEwen Building	Nashville	A	175,262	Suburban	None	97%	84%
Total / Wtd Avg.			**7,801,812**			**90%**	**91%**

1 Includes future leases that had been executed but had not yet commenced as June 30, 2020.

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The Current Portfolio of Properties

This map shows the markets where the current portfolio of properties is located. The Company's Properties are:

- In prime locations within the markets, via proximity to urban centers, an educated workforce, attractive live/work/play amenities, and/or mass transit.
- In top tech markets.

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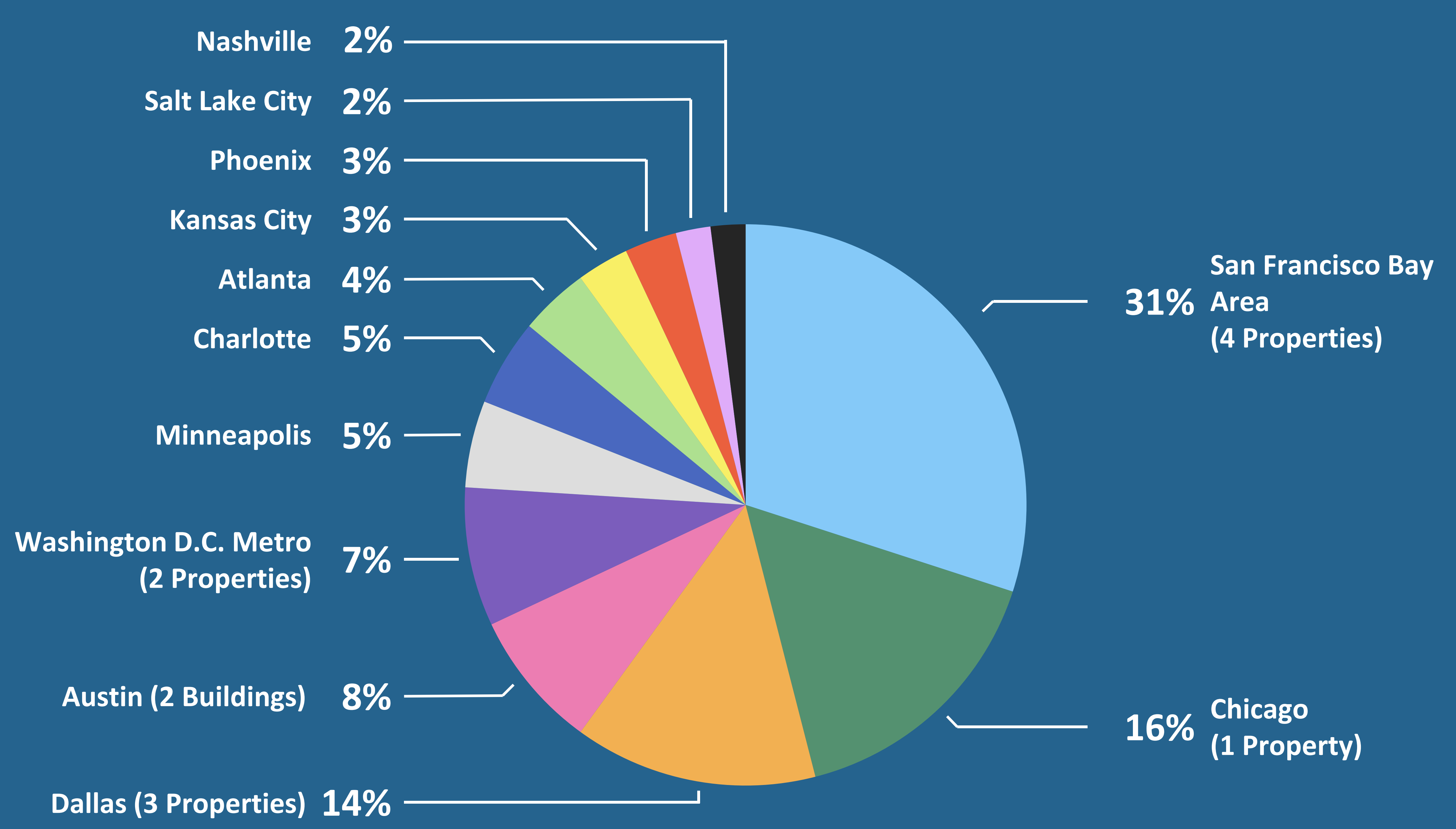
Statistics for the Current Portfolio

Market Diversification [1]

Invested in Target Markets:

50% of value[2] in CBRE's Top 10 Tech Markets

90% of value[2] in CBRE's Top 25 Tech Markets



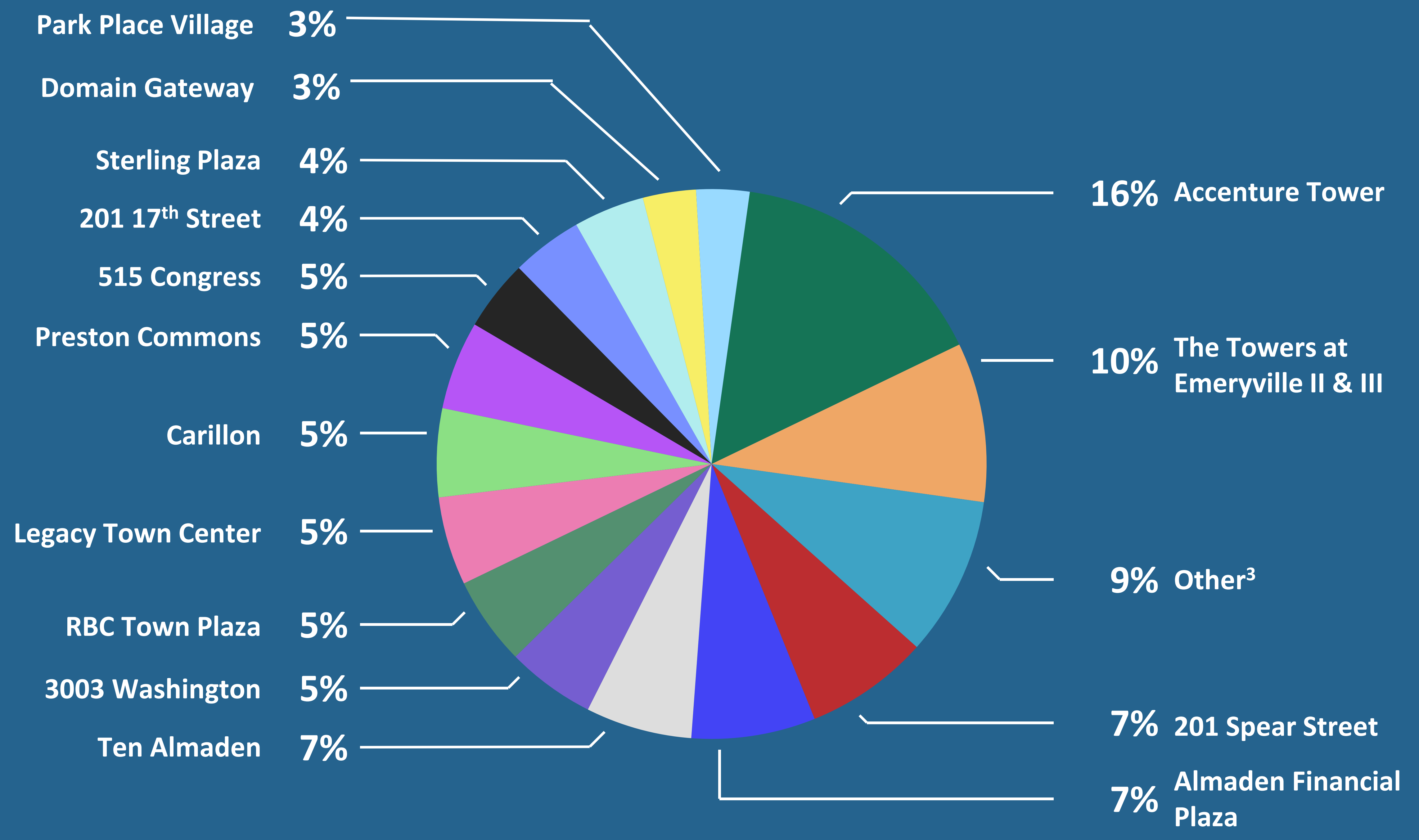
1 Based solely on the appraised values as of September 30, 2019 as reflected in the December 2019 estimated share value for the current portfolio of properties. The appraised values do not consider estimated disposition costs and fees or reflect the impact of the COVID-19 pandemic on portfolio values.

2 Per CBRE's 2020 Tech Talent Report

Asset Diversification [1]

Asset Diversification:

Largest asset accounts for just 16%



3 "Other" is comprised of various properties that individually represent less than 3% of total value.

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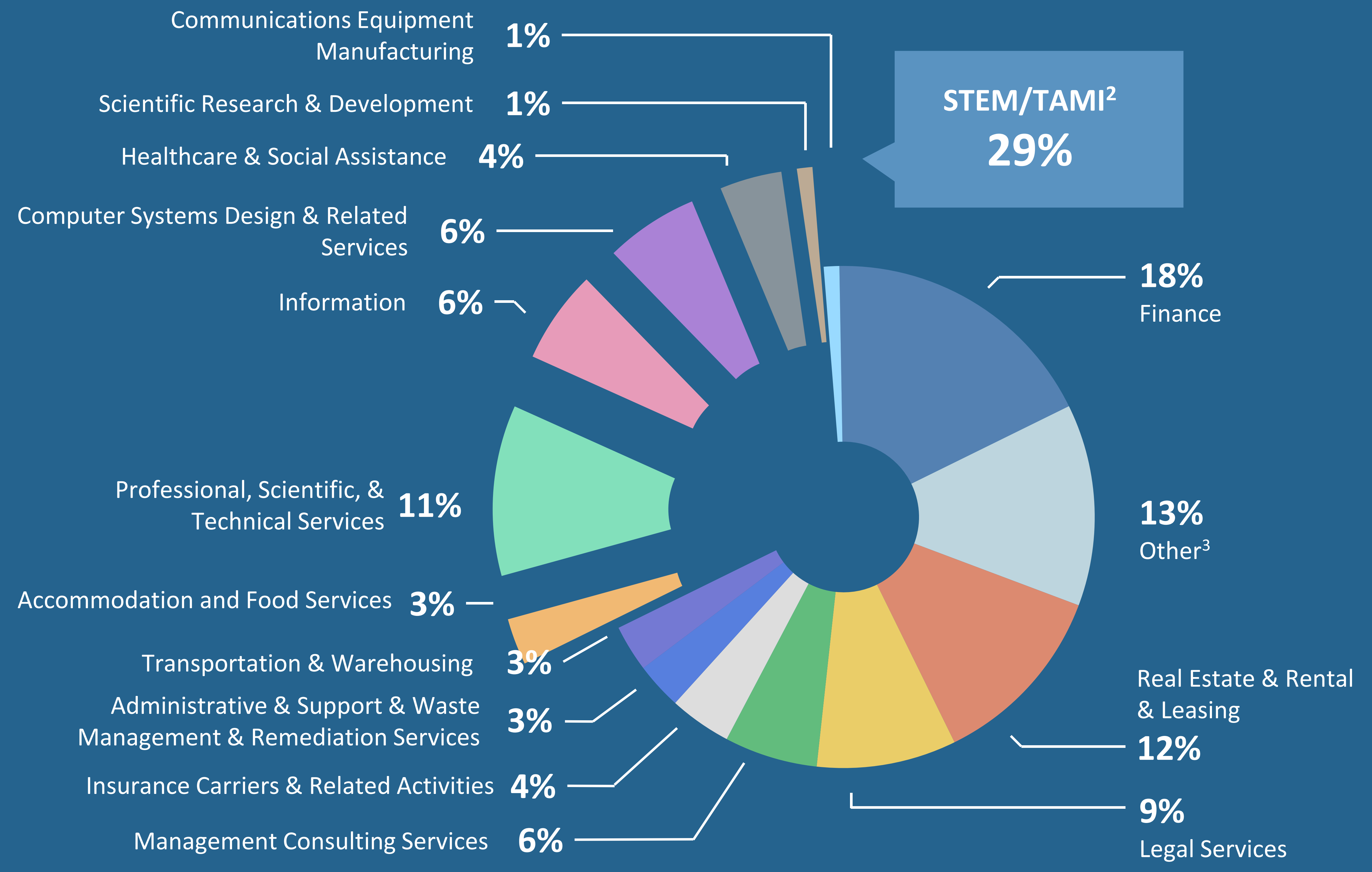
Statistics for the Current Portfolio

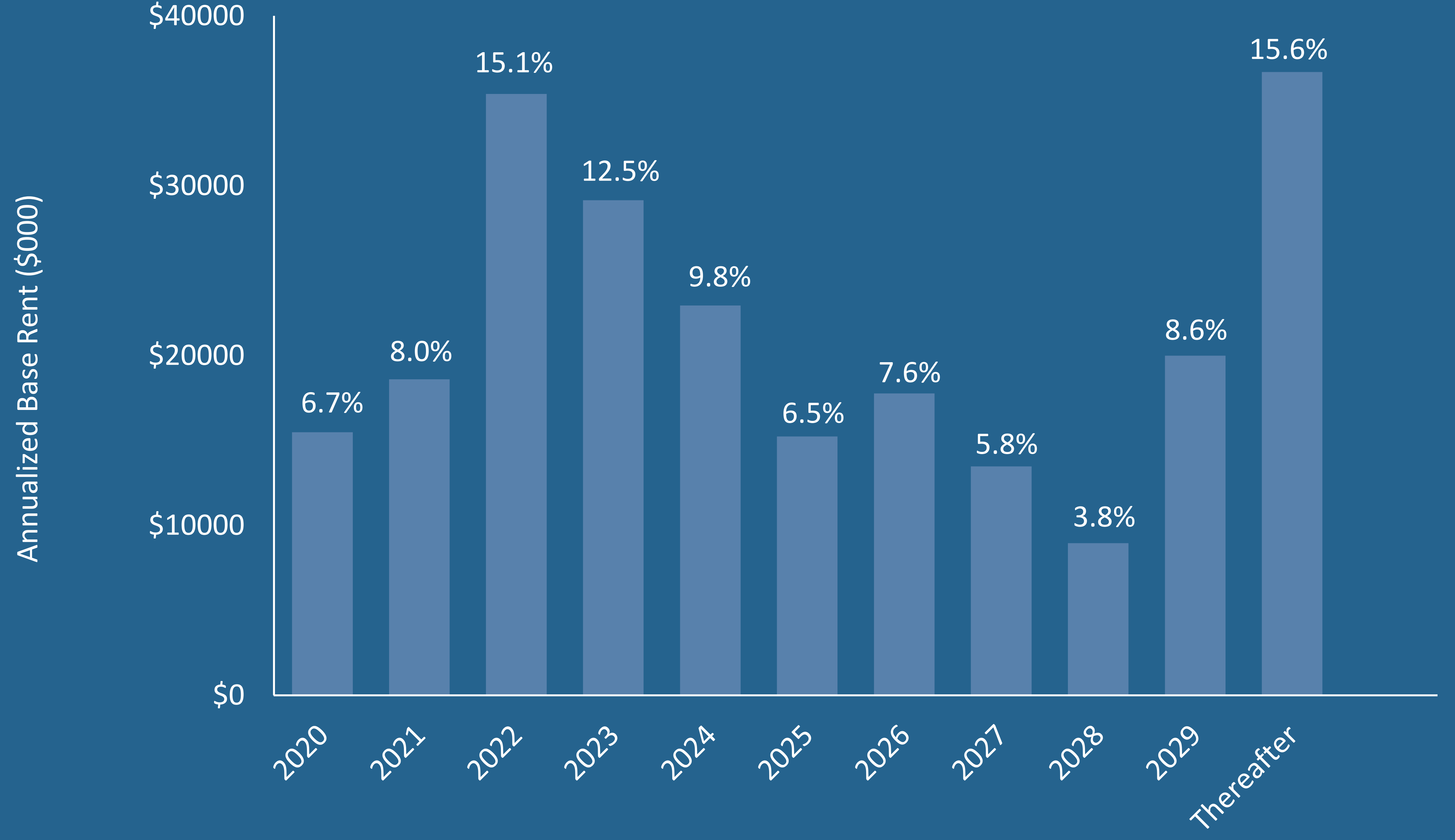
Over 640 Tenants with Staggered Lease Expirations and Industry Diversification

Tenant Industries [1]



- Industry diversification provides downside protection from any single industry. No one sector represents over 18% of the total portfolio.
- STEM/TAMI[2], the fastest growing sector, represents 29% of the total portfolio.

Lease Expirations [1]



1 Annualized base rent represents annualized contractual base rental income as of June 30, 2020, adjusted to straight-line any contractual tenant concessions (including free rent), rent increases and rent decreases from the lease's inception through the balance of the lease term. Percent of annualized base rent is based on total annualized base rent of the current portfolio.

2 STEM is an industry abbreviation which stands for science, technology, engineering, and math, and TAMI stands for technology, advertising, media, and information.

3 "Other" is comprised of various industries that individually represent less than 3.0% of total annualized base rent, excluding STEM/TAMI industries.

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Statistics for the Current Portfolio

Accenture will become the 2nd largest tenant based on SF, once its expansion lease commences in 2022.

Signed an expansion lease in July 2019, increasing space to 263,718 SF for 15 years of term

Top 10 Tenants [1]

TOP 10 TENANTS	INDUSTRY SECTOR	PROPERTY	NLA (SQ. FT)	WEIGHTED AVERAGE LEASE TERM (YRS)	% OF ANNUALIZED BASE RENT [2]
CNA Corporation	Management Consulting	3003 Washington	152,414	8.9	4.0%
WeWork[3]	Real Estate and Rental and Leasing	201 Spear Street, Legacy Town Center	132,645	10.7	3.5%
Indeed.com	Professional, Scientific, and Technical Services	Domain Gateway	183,911	12.7	3.3%
RBC Capital Markets, LLC	Finance	RBC Plaza, The Almaden	304,120	2.3	3.1%
ZOOM Video Communications	Computer Systems Design	The Almaden	87,025	8.7	2.3%
American Multi-Cinema, Inc	Arts & Entertainment	Park Place Village	150,340	9.6	2.2%
WorldPay US, Inc.	Finance	201 17th Street	130,088	6.8	1.7%
Gracenote, Inc.	Information	Tower II & III at Emeryville	54,903	3.5	1.4%
Expedia Inc.	Travel	Accenture Tower	115,604	8.7	1.4%
Nelson Mullins Riley & Scarborough	Legal	201 17th Street	120,249	8.5	1.4%
		TOTAL / WEIGHTED AVG.	1,431,229	8.4	24.3%

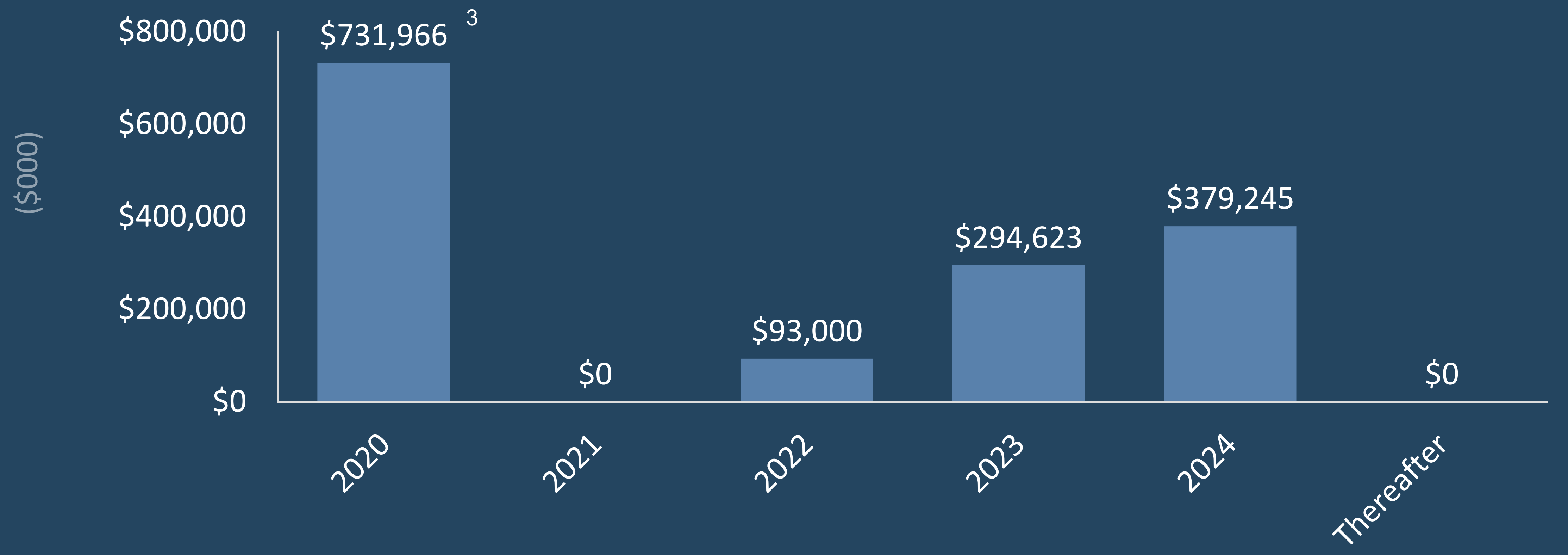
1 As of June 30, 2020.
2 Annualized base rent represents annualized contractual base rental income as of June 30, 2020, adjusted to straight-line any contractual tenant concessions (including free rent), rent increases and rent decreases from the lease's inception through the balance of the lease term. Percent of annualized base rent is based on total annualized base rent of the current portfolio.
3 Of the total WeWork leased space, approximately 78,000 square feet is leased to Google at 201 Spear on a multi-year agreement.

Capital Management[1]

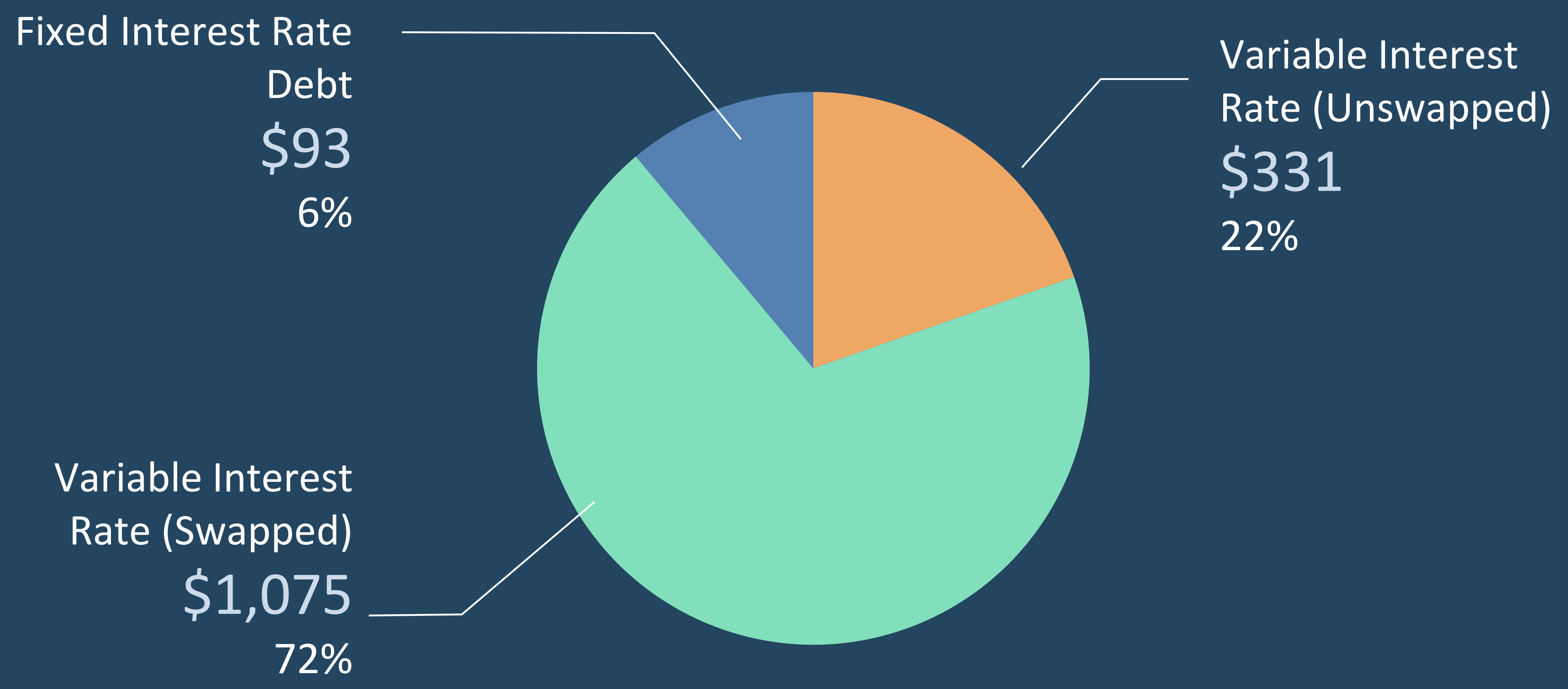
As of June 30, 2020, unless otherwise noted

Total Debt[1]	$1.5 billion
Loan-to-Value[2]	42.3%
Average cost of debt	3.07% per annum
Average term to initial maturity	1.7 years
Average term to fully extended maturity	3.6 years

Initial Debt Maturities [1]



Interest Rate Exposure (in millions)



1 Based on total debt as of June 30, 2020.
2 Loan-to-Value equals the total debt as of June 30, 2020 divided by the December 2019 estimated value of the portfolio of properties of $3.2 billion, current value of investment in PRIME US REIT as of June 30, 2020 and carrying value of loan receivable as of June 30, 2020.
3 All of the debt initially maturing in 2020 has extension options.

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Property Updates

Hardware Village Sale

A two building multi-family apartment complex

SALE PRICE

$178.0 million

Hardware Village was sold on May 7, 2020 for a gross sale price of $178.0 million. The cost basis at disposition was $128.3 million. In connection with the sale, KBS REIT III provided short-term seller financing to the purchaser in the form of a promissory note for $150.2M, which will mature May 6, 2021. The promissory note is secured by Hardware Village.

The sale was completed at a price above the December 2019 appraised value of the property.

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Preston Commons
Dallas, TX

1 As of June 30, 2020. Leased occupancy includes leases that are signed but commencing in the future.

2 A triple-net (NNN) lease is one in which the tenant is responsible for ongoing expenses of the property, including real estate taxes, maintenance and insurance.

Key Statistics

Rentable SF	Leased Occupancy[1]	Current Market Rent/ In - Place Rent[2]	Weighted-Avg. Lease Term (Yrs.)
427,799	81.8%	$44.66 NNN / $39.27 NNN (13.7% Mark-to-Market)	4.8

Key Tenants

Tenant	Sq. Ft.	% of Property RSF
JP Morgan Bank	41,906	9.8%
Regus	24,927	5.8%
Wells Fargo	21,374	5.0%

Recent Leasing
Sunflower Bank to lease 5,905 SF

Asset Attributes

Diverse rent roll with distinguished tenant roster, industry diversification, and staggered lease expirations.

Currently completing a $12 million modernization to create a best-in-class, highly amenitized work environment, including renovating the lobbies and ground floor corridors, transforming the exterior courtyards into outdoor working, collaborating and socializing environments, a new conference and training center, and a new on-site café. The project is scheduled to be completed late November 2020, and is attracting positive interest from the real estate community and prospective tenants.

Market Analysis

Preston Center is located in one of Dallas' most highly coveted and sought-after submarkets, surrounded by prestigious neighborhoods and schools and offering upscale retail, dining, hotel, residential and Class A offices.

High barriers to entry
- Only one developable site remaining with height restrictions.

201 17th Street
Atlanta, GA

Key Statistics

Rentable SF	Leased Occupancy[1]	Current Market Rent/ In - Place Rent	Weighted-Avg. Lease Term (Yrs.)
355,870	96.4%	$40.00 / $30.82 (29.8% Mark-to-Market)	6.6

Key Tenants

Tenant	Sq. Ft.	% of Property RSF
WorldPay US Inc.	130,088	36.5%
Nelson Mullins	117,517	33.0%
Experity	9,122	2.6%

Key Highlights

The Midtown submarket has benefited from a wave of new tech-oriented tenants, as employers are drawn to the highly educated labor force flocking to the urban core. Midtown rents rank at the top of the Atlanta market and are now about 50% above their pre-recession peak, the best mark in the metro.

Purchasing Power signed a 76-month new lease for a full floor spec suite (21,681 SF) starting 9/1/20, $42.00/SF, $5.00 TI. As of June 30, 2020, the property was 96.4% leased and remains fully stabilized with no rollover greater than 5.5% through the end of 2025.

The property features a state-of-the-art conference center with seven collaborative meeting spaces that accommodate groups of 7-75. 201 17th Street has excellent access with 10 means of ingress and 8 means of egress and exposure off I-85 and I-75. The property is part of Atlantic Station, one of the Southeast's premier mixed-use communities.

1 As of June 30, 2020. Leased occupancy includes leases that are signed but commencing in the future.

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Strategic Plan Update

NAV Conversion

NAV Conversion

The Company's Board of Directors finalized a review of strategic alternatives in an effort to further enhance shareholder liquidity and maximize shareholder value. Based on their analysis, the board has determined to pursue a conversion into an NAV REIT. On May 7, 2020, at the annual shareholders' meeting, the Company's shareholders approved two proposals related to the Company's pursuit to convert to an NAV REIT.

Conversion to an NAV REIT fulfills certain key objectives of the Company including the current portfolio size and performance, shareholder desire for liquidity as well as their desire to stay invested and current market environments.

NAV REITs at a Glance

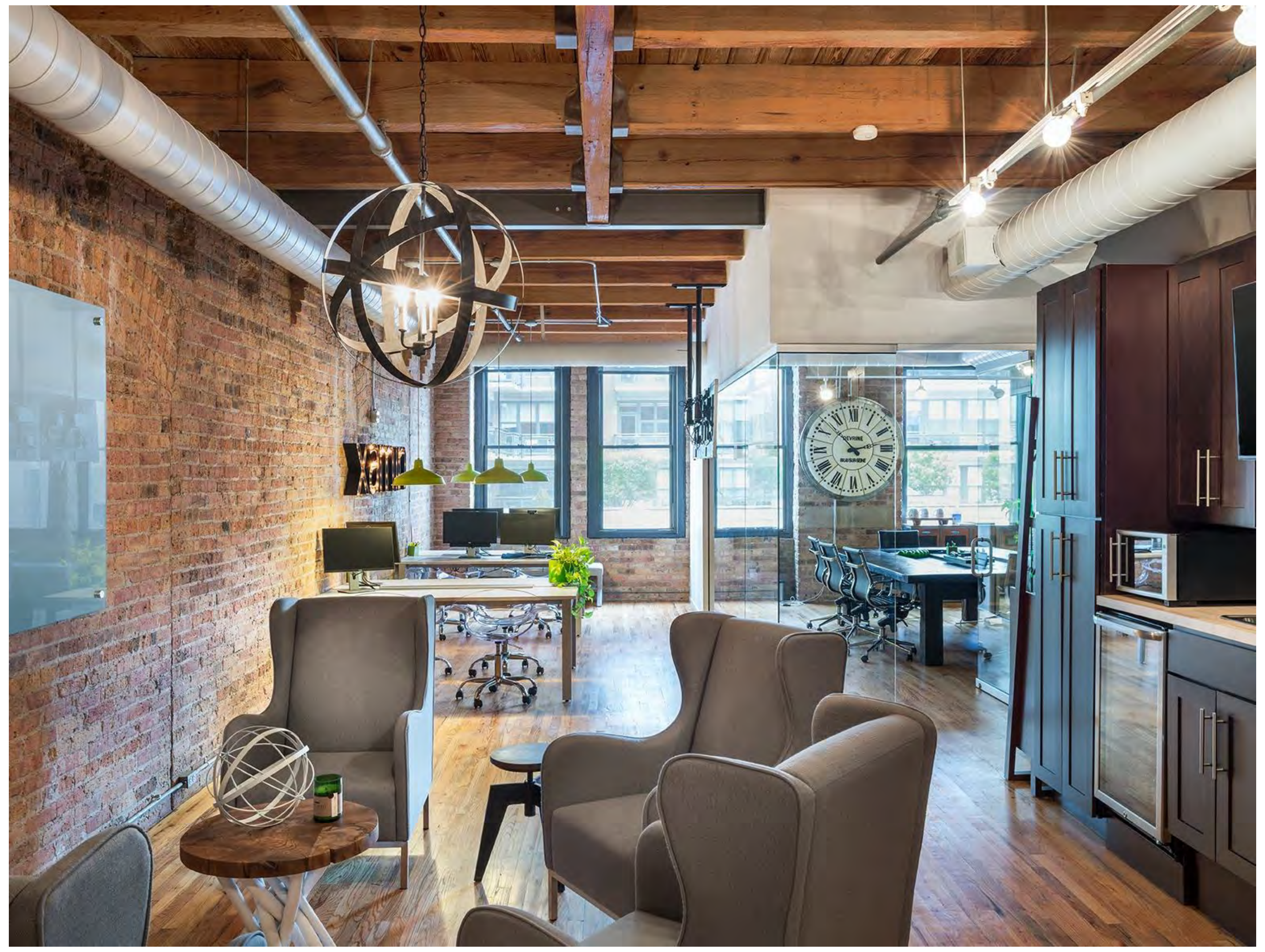
- Perpetual Life Investment Vehicle
- Potential enhanced liquidity, up to 20% of equity per year
- Frequent valuations
- Lower up-front fees

KBS

NAV Conversion

Update on Timing

The impact of COVID-19 has altered the landscape of the real estate market in its entirety. The disruption has reduced cashflows and halted leasing activity resulting in reductions of real estate values. Specific to the REIT III portfolio, the Company's rent collections remain strong although the Company has granted short-term rent relief to a number of tenants, mostly in the form of rent deferrals. Additionally, the COVID-19 crisis has caused us to delay certain asset sales and potential refinancing opportunities which would have further increased the strength of the REIT's liquidity position and our ability to provide increased liquidity to shareholders. However, we have recently seen increased lending activity in the credit market and are currently in discussion with a few lenders to refinance certain loans in the portfolio. While we continue to believe we are well-positioned to successfully respond to the pandemic, the impact of COVID-19 on our operations and the capital and financial markets has delayed the implementation of the NAV REIT conversion.



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REIT III Goals & Objectives

- Distribute operating cash flows to stockholders
- Efficiently manage the real estate portfolio throughout the COVID-19 crisis in order to maximize the long-term portfolio value to stockholders
- Carefully evaluate all tenant rent deferral requests to make sure we are providing rent relief where it is necessary, while being repaid on such deferrals either over time or through a longer term lease extension
- Constantly review the liquidity needs of the portfolio in order to retain capital to enhance asset values while continuing to monitor and address the need for ongoing stockholder liquidity
- Continue to monitor the properties in the portfolio for any beneficial sale opportunities in order to maximize value
- Pursue NAV REIT Conversion

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Q&A

For additional questions, contact

KBS Capital Markets Group Investor Relations

(866) 527-4264