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 March 31, 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.

Important Disclosures

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 restrictions on travel and quarantines imposed, 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 investment in Prime US REIT will depend 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.
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 March 31, 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 assumes 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 assumes 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, are 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 remain 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.
**COVID-19 Impact**

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.

<table>
<thead>
<tr>
<th>19 Class A Properties Located in 12 Different Markets</th>
<th>Over 650 Tenants with Staggered Lease Expirations</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.8 Million RSF, 91.5% Leased</td>
<td>Vast Majority of Leases have 1-3% Built-in Rent Escalations</td>
</tr>
<tr>
<td>Industry Diversification No one sector represents over 18% of Portfolio</td>
<td>In-place Rents 10% Below Market</td>
</tr>
<tr>
<td>4.8 Years Weighted Average Lease Term</td>
<td>Flexible Debt Structure</td>
</tr>
</tbody>
</table>

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 50% of the total.
• Through May 21, 2020, we have collected April and May rent of 87% and 79%, respectively, from our Co-working space tenants.
• The portfolio has minimal exposure to retail and accommodation & food.

Co-Working, Accommodations & Food and Retail Tenant Exposure

Remaining Sectors 91%

Co-Working 5%
Accommodation & Food 3%
Retail 1%

1 Annualized base rent represents annualized contractual base rental income as of March 31, 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, excluding Hardware Village.
COVID-19 Impact (cont.)

Impact on Real Estate

The Company’s portfolio is well located throughout the U.S. and leased to a stable and diversified tenant base under long-term leases, which has helped minimize the impact from COVID-19 thus far. However, the Company did recognize an impairment charge on Park Place Village due to the property’s exposure to the retail and accommodation and food industries.

Park Place Village located in Leawood, KS

Park Place Village is a multi-tenant mixed-use office and retail property containing 483,984 rentable SF with retail space accounting for 23% of the total rentable SF. Due to COVID-19, many retail tenants requested rent concessions as their businesses have been severely impacted. Given these uncertainties, the Company recorded an impairment charge of $19.9 million to write down the carrying value of Park Place Village to its estimated fair value. Additionally, AMC, whose corporate headquarters is at Park Place Village, has also been significantly impacted by the COVID-19 crisis.

Key Tenants

<table>
<thead>
<tr>
<th>Tenant</th>
<th>Sq. Ft.</th>
<th>% of Property RSF</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMC</td>
<td>150,340</td>
<td>31.1%</td>
</tr>
<tr>
<td>SCOR Global</td>
<td>40,286</td>
<td>8.3%</td>
</tr>
<tr>
<td>RPS Financial</td>
<td>32,523</td>
<td>6.7%</td>
</tr>
</tbody>
</table>
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 May 2020, the Company’s Board of Directors has maintained the same distribution rate for April and May compared to the distribution rate for the first three months of 2020. The ability to maintain a consistent dividend in April and May (during the COVID-19 crisis) illustrates the strength and diversity of the tenant base within the real estate portfolio.

Distribution History:

<table>
<thead>
<tr>
<th>Period</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2019</td>
<td>$0.80/share</td>
</tr>
<tr>
<td>January 1, 2019 - December 31, 2019</td>
<td>$0.65/share*</td>
</tr>
<tr>
<td>January 2020 - May 2020</td>
<td>$0.60/share*</td>
</tr>
</tbody>
</table>

*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 May of 2020 would be comparable to the monthly distribution received prior to 2020.
Fund and Portfolio Overview

As of March 31, 2020, unless otherwise noted.

1 Excludes Hardware Village, a multifamily development project, which was sold subsequent to March 31, 2020.
2 Current portfolio of properties as of March 31, 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 take into account estimated disposition costs and fees.
3 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 $0.74 per unit as of April 30, 2020 and does not take into account the remaining lock-up restrictions on 50% of the units and potential blockage due to the quantity of units KBS REIT III owns.
4 Includes future leases that had been executed but had not yet commenced as March 31, 2020.
5 Calculated as total debt as of March 31, 2020, divided by the December 2019 estimated value of the portfolio of properties of $3.3 billion and current value of investment in PRIME US REIT as of April 30, 2020.
6 On an annualized basis. During Q1 2020, KBS REIT III declared monthly distributions at a rate of $0.04983333/share.
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.

KEY

# Number of Properties in Location
Statistics for the Current Portfolio

Market Diversification ¹

Invested in Target Markets:
- 50% of value¹ in CBRE’s Top 10 Tech Markets
- 90% of value¹ in CBRE’s Top 25 Tech Markets

Asset Diversification ¹

Largest asset accounts for just 16%

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 excluding Hardware Village, which was sold subsequent to March 31, 2020. The appraised values do not take into account estimated disposition costs and fees or reflect the impact of the COVID-19 pandemic on portfolio values.

2 Per CBRE’s 2019 Tech Talent Report

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

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Industry diversification provides downside protection from any single industry. No one sector represents over 18% of the total portfolio.

STEM/TAMI², the fastest growing sector, represents 29% of the total portfolio.

1 Annualized base rent represents annualized contractual base rental income as of March 31, 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, excluding Hardware Village.

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.
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.
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