KBS Real Estate Investment Trust III

Portfolio Update

Third Quarter, 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 September 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, dated December 7, 2020 (the "Valuation 8-K").

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 COVID-19 pandemic is negatively impacting almost every industry, including the U.S. office real estate industry and the industries of the Company's tenants, directly or indirectly. 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.

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 September 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 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, 2020, December 1, 2020 or December 7, 2020, 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, the valuation of the Company's real estate loan receivable 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.

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. As the global impact of the COVID-19 pandemic continues to evolve, the Company's conflicts committee and board of directors continue to evaluate whether the proposed NAV REIT conversion remains in the best interest of the Company's stockholders. Accordingly, the Company can give no assurance that it will continue to pursue a 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; the borrower under the Company's real estate loan receivable continuing to make required payments under the loan documents; and other risks identified in Part I, Item 1A of the Company's Annual Report and in Part II, Item 1A of the Company's Quarterly Report.

COVID-19: Office Market Outlook

- The continued demand for high-tech talent will help drive commercial real estate growth.[1]
- Office-using employment rebounded quickly in the third quarter of 2020 indicating future demand for physical workspaces. [2]
- More than 30% of the private sector office-using jobs lost in the second quarter were recovered by the end of the third quarter.[2]
- Professional and business services drove the recovery of office-using employment during the third quarter. The Seattle and Dallas markets regained 94.1% and 71.8% of jobs in this sector.[2]
- Office-using job sectors, down 4.1% year-over-year, have continued to fare better than the labor market as a whole, down 6.1% year-over-year.[3]
- Newmark notes that office-using employment numbers have historically been a major factor in determining office returns, and the recent rebound in these numbers is a positive sign for the office market.[2]

[1] National Real Estate Investor, Oct. 26, 2020
[2] GlobeSt.com, Office Jobs Recovering Faster Than Usual For a Recession, Nov. 30, 2020
[3] Commercial Edge, National Office Report, November 2020

COVID-19: Rent Collections

Since April 1, 2020, a number of tenants have requested rent relief, most in the form of rent deferrals or abatement. Depending upon the duration of the various measures imposed to help control the spread of the virus and the corresponding economic slowdown, these tenants or additional tenants may seek rent deferrals or become unable to pay their rent. Through December 5, 2020, rent collections are as follows:

Period of Rent Collected	% of Rent Collected
Q2 2020	97%
Q3 2020	94%
October 2020	95%
November 2020	95%

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 September 2020, the Company has provided temporary deferrals of approximately 1.8% of total 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:
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

4.8 Years Weighted Average Lease Term

7.8 Million RSF [1], 90.0% Leased

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

Flexible Debt Structure

Industry Diversification
No one sector represents over 19% of Portfolio

In-place Rents 8% Below Market

27% STEM / TAMI Tenants

* Information as of September 30, 2020

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COVID-19: 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 November 2020, the Company's Board of Directors has **maintained the same distribution rate from April through December** compared to the distribution rate for the first three months of 2020. The ability to maintain a consistent dividend from April to December (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

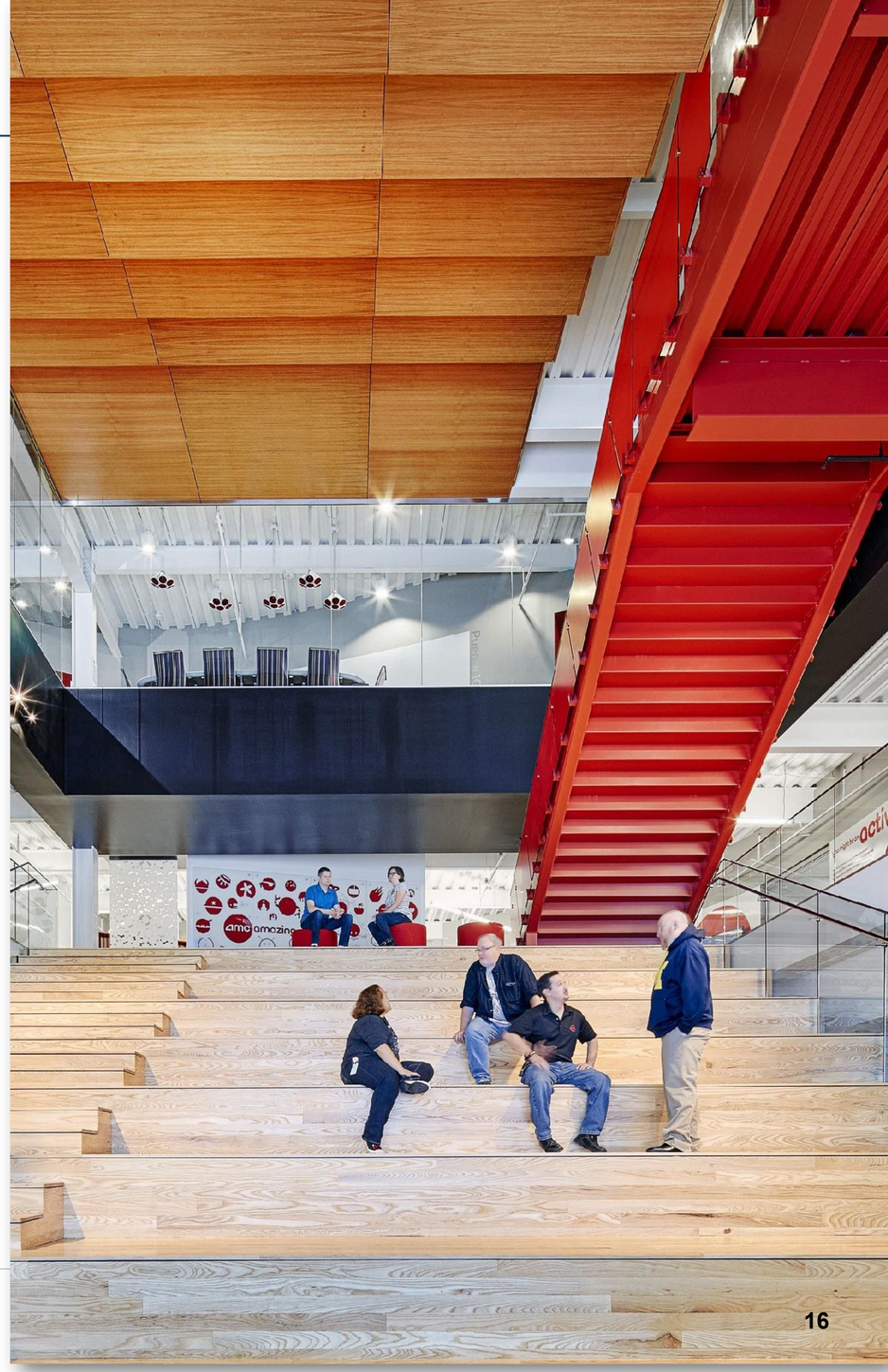
Distributions

January 1, 2019 – December 31, 2019	$0.65/share*
January 2020 – December 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 December of 2020 would be comparable to the monthly distribution received prior to 2020.

2 Distributions for December 2020 have been declared but not yet paid.



Fund and Portfolio Overview[1]

As of September 30, 2020, unless otherwise noted.

December 2020 Estimated Value of Current Portfolio of Properties[1]

$3.1 billion

December 2020 Estimated Value of Investment in units of PRIME US REIT [2]

$203.5 million

September 30, 2020 Estimated Value of Loan Receivable [3]

$148.3 million

Rentable Square Feet

7.8 million

Total Leased Occupancy[4]

90.0%

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

42.7%

Annualized Monthly Distribution Rate [6]

$0.60/share ordinary distributions

1 Current portfolio of properties as of September 30, 2020. Value based solely on the appraised values as of September 30, 2020 as reflected in the December 2020 estimated share value. The appraised values do not consider estimated disposition costs and fees.
2 December 1, 2020 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 $0.775 per unit as of December 1, 2020, offset by a 9.3% discount for blockage due to the quantity of units held by the Company relative to the normal level of trading volume in Prime US REIT units.
3 The estimated value of the loan receivable is equal to the GAAP fair value as of September 30, 2020 disclosed in the Quarterly Report.
4 Includes future leases that had been executed but had not yet commenced as September 30, 2020.
5 Loan-to-Value equals the total debt as of September 30, 2020 divided by the December 2020 estimated value of the portfolio of properties of $3.1 billion, estimated value of KBS REIT III's investment in Prime US REIT as of December 1, 2020 and estimated value of loan receivable as of September 30, 2020.
6 On an annualized basis. For the period from January through December 2020, KBS REIT III declared monthly distributions at a rate of $0.04983333/share.

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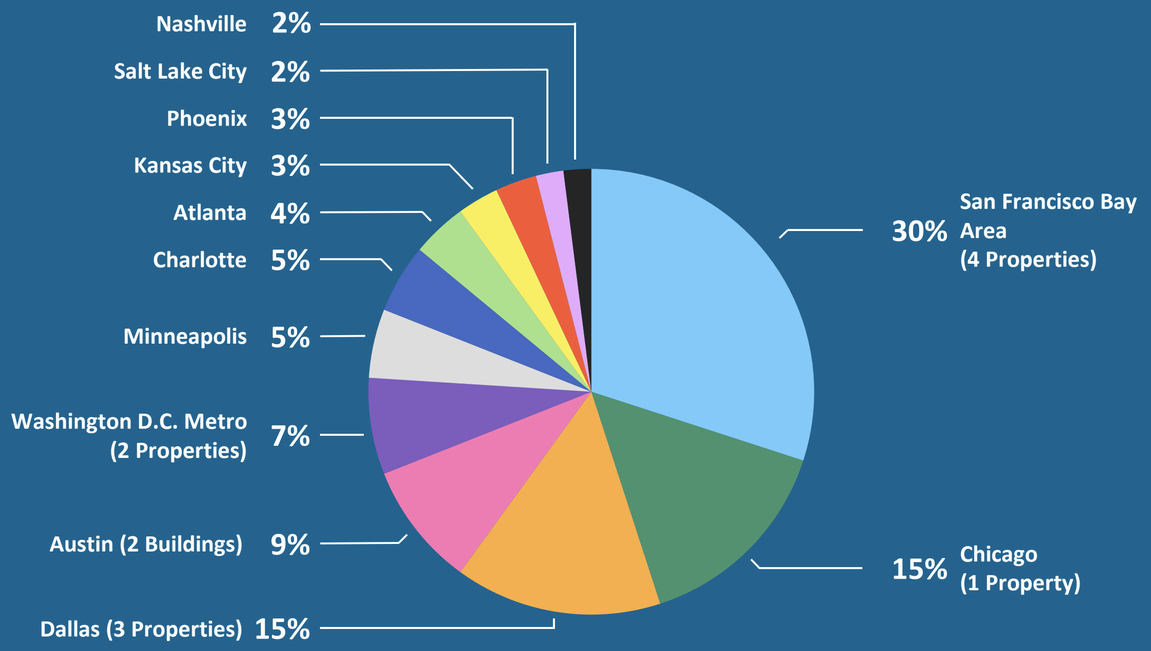
Statistics for the Current Portfolio

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

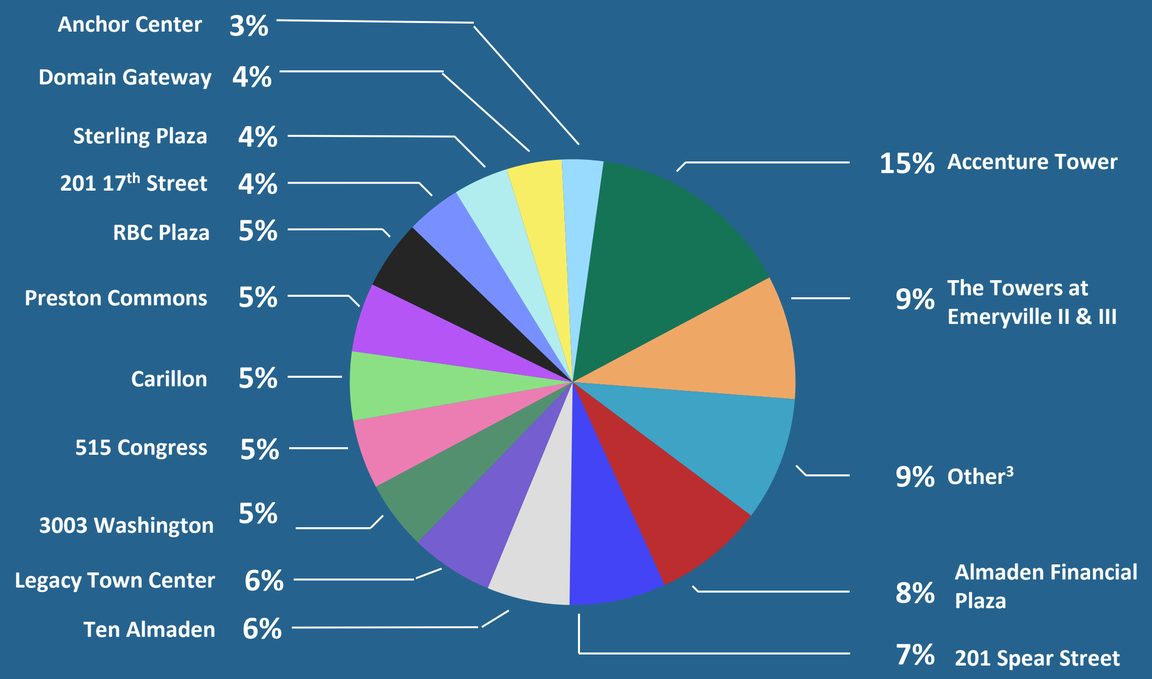


1 Based solely on the appraised values as of September 30, 2020 as reflected in the December 2020 estimated share value for the current portfolio of properties. The appraised values do not consider estimated disposition costs and fees.
2 Per CBRE's 2020 Tech Talent Report

Asset Diversification [1]

Asset Diversification:

Largest asset accounts for just 15%

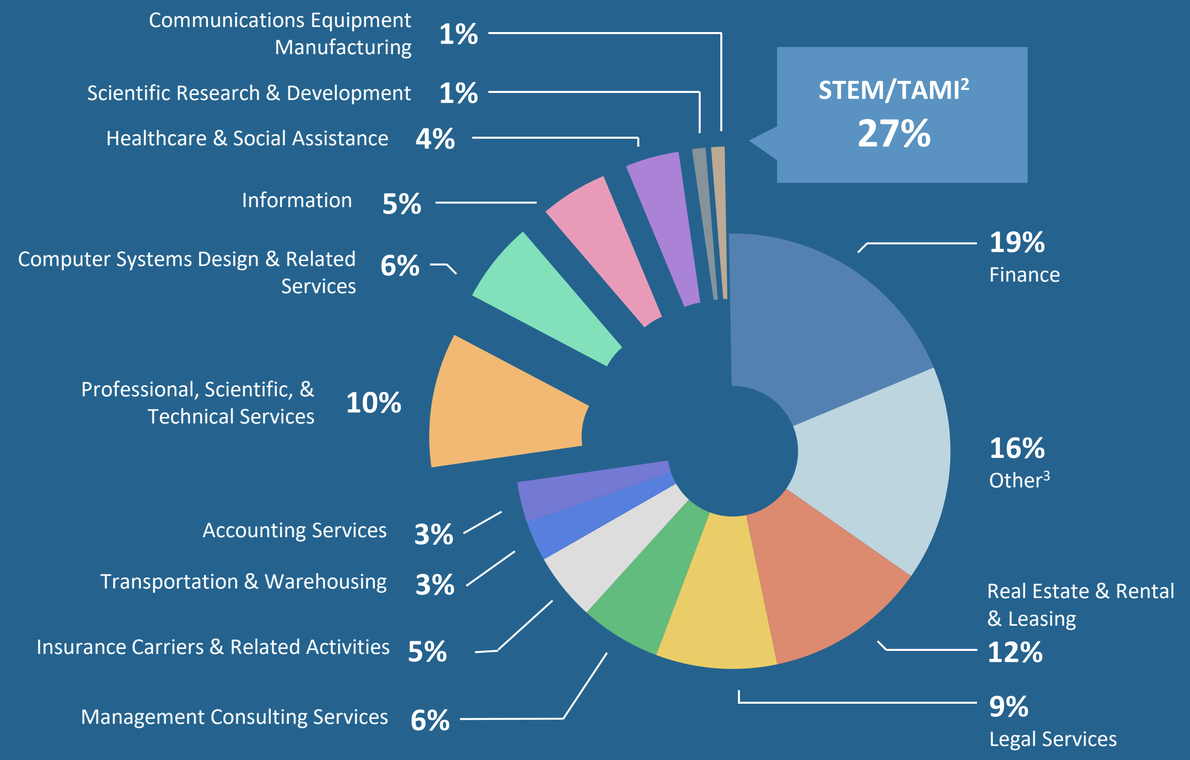


3 "Other" is comprised of various properties that individually represent less than 3% of total value.

Statistics for the Current Portfolio

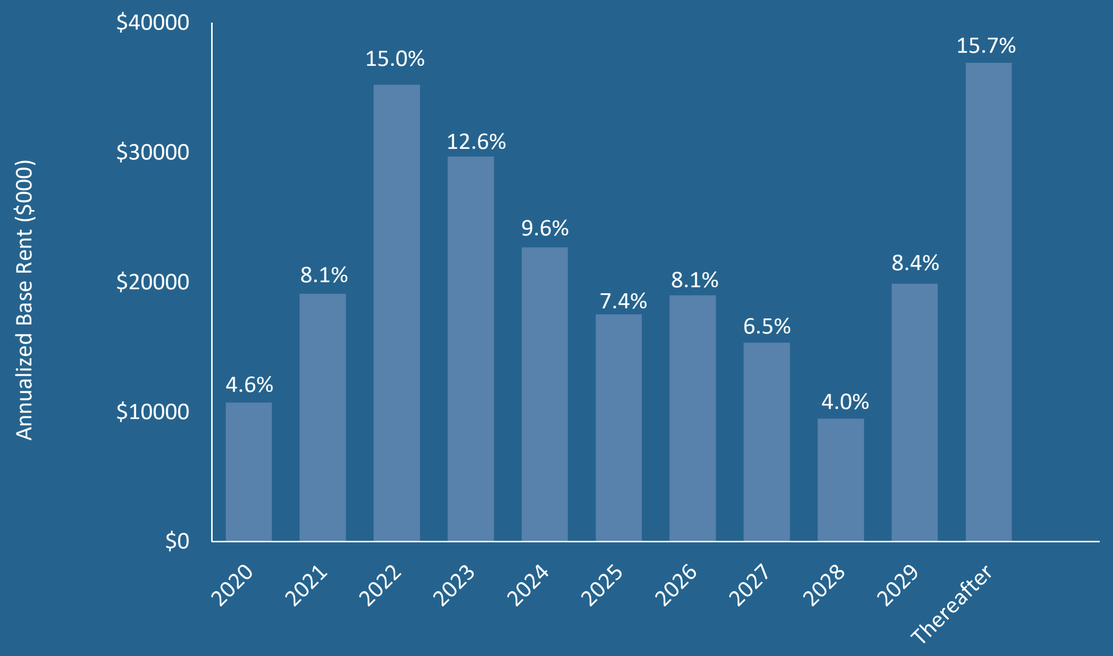
Over 640 Tenants with Staggered Lease Expirations and Industry Diversification

Tenant Industries [1]



- Industry diversification provides downside protection from any single industry. No one sector represents over 19% of the total portfolio.
- STEM/TAMI[2], the fastest growing sector, represents 27% of the total portfolio.

Lease Expirations [1]



1 Annualized base rent represents annualized contractual base rental income as of September 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 industries.

Valuation Change Summary

On December 7, 2020, KBS REIT III's Board of Directors approved an estimated value per share of $10.74[1]. The following is a summary of the estimated value per share changes within each asset and liability group.

December 2019 estimated value per share	$11.65
Real estate and real estate loan receivable	(0.11)
Capital expenditures on real estate	(0.63)
Investment in Prime US REIT units	(0.29)
Total changes related to investments	(1.03)
Distributions declared in excess of modified operating cash flows[2]	(0.01)
Mortgage debt	0.13
Interest rate swap liability	(0.13)
Advisor participation fee potential liability	0.16
Other changes	(0.03)
Total change in estimated value per share	**(0.91)**
December 2020 estimated value per share	**$10.74**

1 Based on the estimated value of KBS REIT III's assets less the estimated value of KBS REIT III's liabilities, divided by the number of shares outstanding, all as of September 30, 2020, except for certain items discussed in the Valuation 8-K for which estimated values were adjusted subsequent to September 30, 2020.
2 Modified operating cash flow reflects modified funds from operations ("MFFO") adjusted to deduct capitalized interest expense, capitalized real estate taxes and insurance and add back the amortization of deferred financing costs. KBS REIT III computes MFFO in accordance with the definition included in the practice guideline issued by the IPA in November 2010.

Potential NAV Conversion

Conversion to an NAV REIT fulfills certain key objectives of the Company including balancing shareholder desire for liquidity as well as their desire to stay invested.

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

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REIT III 2021 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 and provide stockholder liquidity
- Continue to monitor the properties in the portfolio for any beneficial sale opportunities in order to maximize value
- Finalize decision on NAV REIT Conversion