



KBS

Growth & Income
Real Estate
Investment Trust

Portfolio Update
Third Quarter 2021

Important Disclosures

The information contained herein should be read in conjunction with, and is qualified by, the information in KBS Growth & Income Real Estate Investment Trust's (the "Company or KBS Growth & Income REIT or KBS G&I REIT") Annual Report on Form 10-K for the year ended December 31, 2020 (the "Annual Report"), and in the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2021 (the "Quarterly Report"), including the "Risk Factors" contained therein. For a full description of the limitations, methodologies and assumptions used to value KBS G&I REIT's assets and liabilities in connection with the calculation of KBS G&I REIT's estimated value per share, see KBS G&I REIT's Current Report on Form 8-K dated December 6, 2021 (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 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.

The COVID-19 pandemic, together with the resulting measures imposed to help control the spread of the virus, 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, 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. Reductions in property values related to the impact of the COVID-19 pandemic may limit the Company's ability to draw on the revolving commitment under its term loan due to covenants described in the loan agreement. In addition, the timing in which the Company may be able to implement a liquidation strategy will be affected.

Important Disclosures

Forward-Looking Statements

The Company may fund distributions from any source including, without limitation, from offering proceeds or borrowings. Distributions paid through September 30, 2021 have been funded in part with cash flow from operating activities, from the proceeds from the sale of real estate and in part with debt financing, including advances from the Company's advisor. In addition, distributions have been funded with cash resulting from the advisor's waiver and deferral of its asset management fee. There are no guarantees that the Company will continue to pay distributions or that distributions at the current rate are sustainable. 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 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. Though the appraisals of the appraised properties, 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, 2021, 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 and the estimated value per share.

The Company is developing a formal plan of liquidation for approval by its board of directors and submission to the stockholders. If a plan of liquidation is approved by the stockholders of the Company, there are many factors that may affect the amount of liquidating distributions the Company will ultimately pay to its stockholders, including, among other things, the impact of the COVID-19 pandemic on the value of the real estate properties, the ultimate sale price of each asset, changes in market demand for office properties during the liquidation process, the amount of taxes, transaction fees and expenses relating to the liquidation and dissolution, and unanticipated or contingent liabilities arising thereafter. No assurance can be given as to the amount or timing of liquidating distributions the Company will ultimately pay to its stockholders.

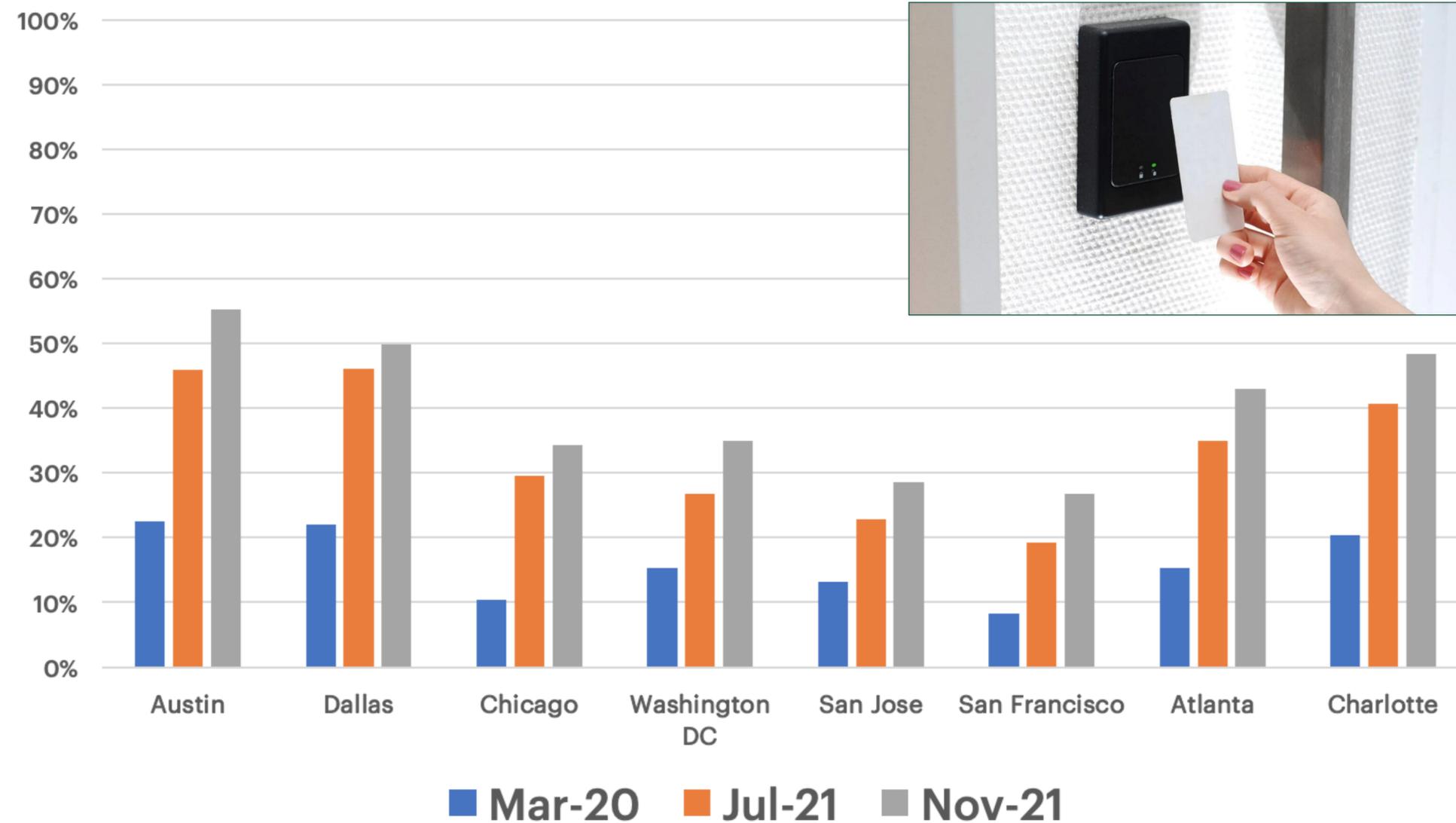
These statements herein also depend on factors such as: future economic, competitive and market conditions; the Company's ability to maintain occupancy levels and rental rates at its real estate properties; the Company's ability to sell its real estate properties at the times and at the prices it expects; and other risks identified in Part I, Item 1A of the Company's Annual Report for the year ended December 31, 2020 and in Part II, Item 1A of the Company's Quarterly Report for the period ended March 31, 2021.

COVID-19: Return to Office

To provide some clarity on the issues facing American businesses, Kastle Systems has been studying keycard and FOB access data from 2,600 buildings and 41,000 businesses.

The analysis is based on anonymized data to identify trends in how Americans are returning to the office.

Employees Returning to the Office Based on Keycard Access Data



Source: Kastle Systems and CoStar, November 10, 2021

<https://www.kastle.com/safety-wellness/getting-america-back-to-work/>

COVID-19: Rent Collections

Depending upon the duration of the pandemic, the various measures imposed to help control the spread of the virus and the corresponding economic slowdown, some of Company’s tenants have or will seek rent deferrals or abatements in future periods or become unable to pay their rent. Through the third quarter of 2021, rent collections are as follows:

Period of Rent Collected	% of Rent Collected
Q2 2020	95%
Q3 2020	90%
Q4 2020	93%
Q1 2021	97%
Q2 2021	98%
Q3 2021	98%

Over the course of the COVID-19 crisis, the Company has received short-term rent relief requests from tenants who have been directly impacted by the COVID-19 pandemic. Through September 2021, the Company had granted a total of \$0.9 million in rent relief structured as temporary deferral arrangements of base rent or rent abatement and/or rent restructures.

In most cases, it is in the Company’s best interest to help its tenants remain in business and reopen when restrictions are lifted.

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

Fund and Portfolio Overview

As of September 30, 2021, unless otherwise noted;

¹ Portfolio overview information reflects information as of September 30, 2021 for the current portfolio of real estate properties.

² Represents aggregate acquisition price (excluding closing costs) of the current real estate portfolio.

³ Represents cost basis, which is acquisition price (excluding closing costs) plus subsequent capital expenditures for the current real estate portfolio.

⁴ Based solely on the appraised values as of September 30, 2021 as reflected in the December 2021 estimated share value.

⁵ The Second Private Offering was suspended in December 2019 and officially terminated in August 2020.

⁶ Data as of September 30, 2021. See the Current Report on Form 8-K dated December 6, 2021 and the risk factors included in the Annual Report on Form-10K.

⁷ Includes proceeds from distribution reinvestment plan, which was terminated in August 2020.

⁸ Includes future leases of current real estate portfolio that had been executed but had not yet commenced as of September 30, 2021.

⁹ Distributions are not guaranteed. Current distribution is annualized and equal to a 3.5% annualized rate based on the December 2020 net asset value per share.

¹⁰ Calculated as total debt on real estate properties of \$101.7 million as of September 30, 2021 divided by December 2021 estimated value of all properties of \$138.9 million.

FUND OVERVIEW

Initial Private Offering

June 2015 – April 2016

Public Offering

April 2016 – June 2017

Second Private Offering

October 2017 – August 2020⁵

Current NAV (Dec. 2021)⁶

\$3.38 per share

Total Equity Raised⁷

\$94.7 million

Current Distribution⁹

\$0.1715 per share

PORTFOLIO OVERVIEW¹

Total Acquisitions²

\$163.0 million

Cost Basis of Current Portfolio of Properties³

\$178.7 million

Dec. 2021 Estimated Value of Current Portfolio of Properties⁴

\$138.9 million

Rentable Sq. Ft.

599,030

Total Leased⁸

83.3%

Total Leverage¹⁰

73.2%

Portfolio Highlights

As of September 30, 2021

PROPERTY NAME CITY, STATE	PROPERTY TYPE / NO. OF BUILDINGS	ACQUISITION DATE	SIZE (SF)	PURCHASE PRICE ²	LEASED % AS OF 9/30/21 ³
Commonwealth Building Portland, OR	Office 1 Building	6/30/2016	224,122	\$68,545,000	67.0%
The Offices at Greenhouse Houston, TX	Office 1 Building	11/14/2016	203,284	46,489,000	100.0%
Institute Property Chicago, IL	Office 1 Building	11/9/2017	155,385	43,155,000	83.1%
210 West Chicago Chicago, IL ¹	Office 1 Building	10/5/2020	16,239	4,780,000	100.0%
TOTAL / WEIGHTED AVG.			599,030	\$162,969,000	83.3%

¹ On June 28, 2019, the Company entered into a joint venture agreement to purchase 210 W Chicago for \$5.4M, which was recorded as an unconsolidated entity. On October 5, 2020, The Company bought out the joint venture partner's equity interest, resulting in the consolidation of the property at the estimated fair value of \$4.8M.

² Purchase price reflects contractual purchase price, net of closing credits, and excludes acquisition fees and expenses.

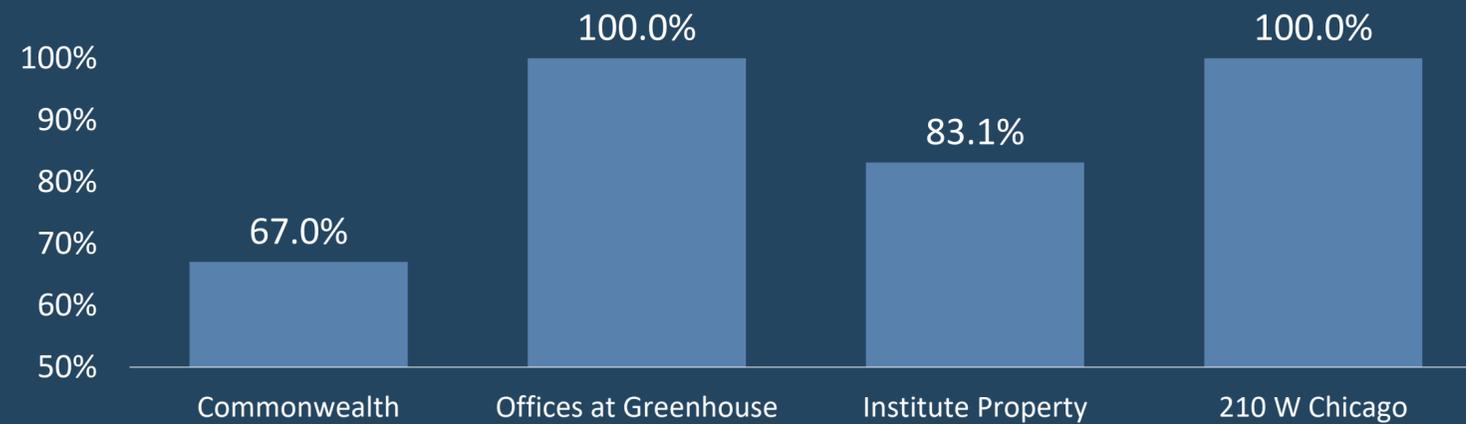
³ Total leased percentage includes future leases that have been executed but have not yet commenced as of September 30, 2021.

Portfolio Overview¹

Key Statistics

No. of Investment Assets	4
Total Rentable Sq. Ft.	599,030
Wtd Avg Lease Term	3.4 years
Economic Occupancy	80.8%
Leased Occupancy ²	83.3%
No. of Tenants	58

Leased Occupancy²



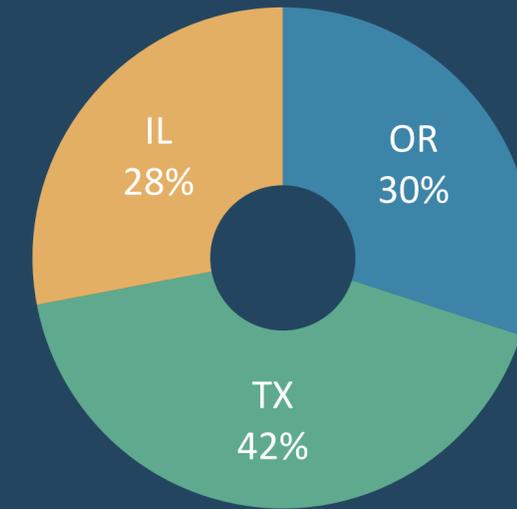
¹ All information as of September 30, 2021.

² Leased % includes future leases that had been executed but had not yet commenced as of September 30, 2021.

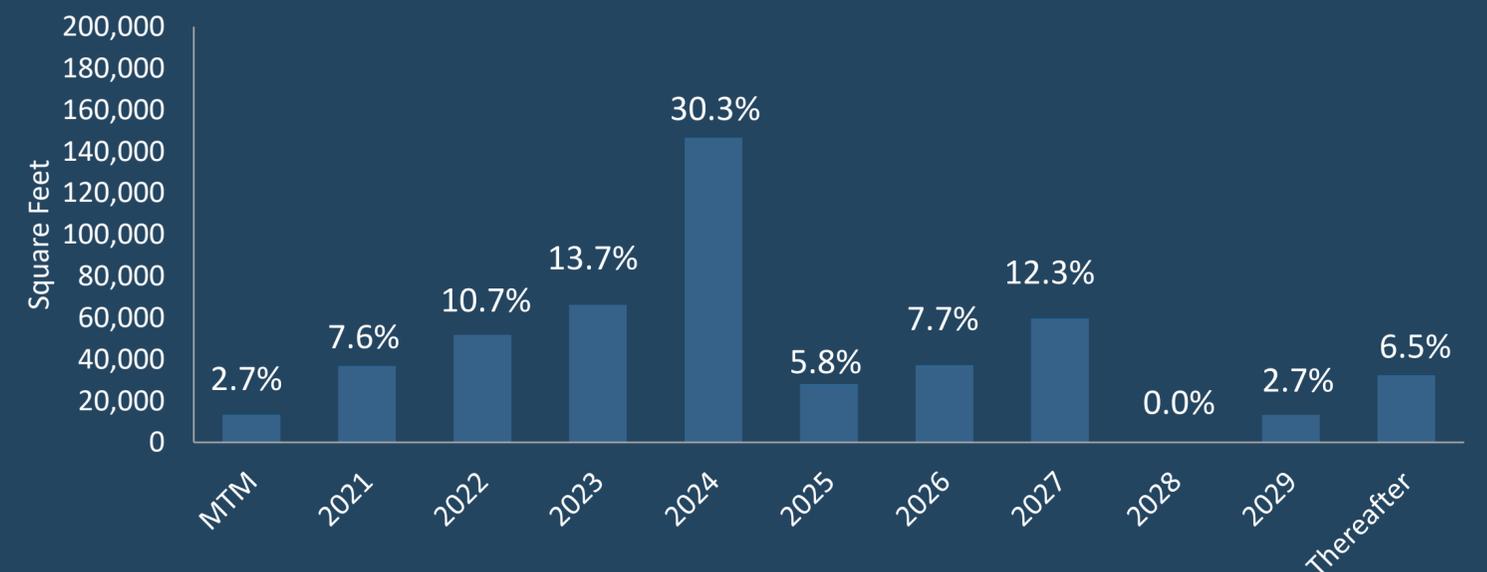
³ Based on occupied square feet as of September 30, 2021.

As of September 30, 2021

Geographic Diversification³



Occupied SF Expirations as of September 30, 2021



Valuation Summary

	<i>December 2021¹ Estimated Value</i>	<i>December 2020² Estimated Value</i>
Real Estate (Consolidated Properties)	\$138,915,000 (93.9%)	\$149,740,000 (97.8%)
Investment in Unconsolidated Joint Venture	-	\$214,768 (0.1%)
Cash and Restricted Cash	\$8,097,282(5.5%)	\$2,255,503 (1.5%)
Other Assets ³	\$913,694(0.1%)	\$923,658 (0.6%)
Total Assets:	\$147,925,976	\$153,133,929
Notes Payable	\$101,130,731	\$90,588,521
Other Liabilities ⁴	\$12,425,250	\$12,683,243
Total Liabilities:	\$113,555,981	\$103,271,764
Net Equity at Estimated Value	\$34,369,995	\$49,862,165

¹ Based on data as of September 30, 2021 as discussed in the Valuation 8-K.

² Based on data as of September 30, 2020.

³ Includes rents and other receivables, deposits and prepaid expenses as applicable.

⁴ Includes accounts payable, accrued liabilities, security deposits and prepaid rent.

Valuation Change Summary

On December 6, 2021, KBS G&I REIT's Board of Directors approved an estimated value per share of \$3.38.¹ The following is a summary of the estimated value per share changes within each asset and liability group from the December 2020 estimated value per share. The decrease in estimated value per share was primarily due to the decrease in real estate value.

¹ Based on the estimated value per share of KBS G&I REIT's assets less estimated value of KBS G&I REIT's liabilities, divided by the number of shares outstanding, all as of September 30, 2021.

² Modified operating cash flows reflects modified funds from operations ("MFFO") adjusted to add back the amortization of deferred financing costs and deferral of asset management fee. The Company computes MFFO in accordance with the definition included in the practice guideline issued by the IPA in November 2010.

December 2020 estimated value per share	\$4.90
Changes to estimated value per share:	
Real Estate (Consolidated Properties)	(1.54)
Capital expenditures on real estate	(0.13)
Total change related to real estate	(1.67)
Modified operating cashflows in excess of distributions declared ²	0.24
Changes to other assets and liabilities:	
Notes payable	(0.08)
Interest rate swaps	0.17
Deferral of asset management fee liability	(0.17)
Other changes	(0.01)
Total changes to fair value of other assets and liabilities	(0.09)
Total change in estimated value per share	(1.52)
December 2021 estimated value per share	\$3.38

Update on Strategic Alternatives

Due to the minimal amount of capital raise in the REIT, which had been substantially impacted early on by regulatory changes, and the inability to significantly improve its size and scale in order to help offset the sizeable G&A costs of operating a non-traded REIT, the Board formed a special committee to evaluate strategic alternatives for the REIT. Based upon the special committee's assessment and recommendation, in August of 2020, the special committee directed the Company's advisor, with the assistance of the independent financial advisor of the special committee, to develop a plan of liquidation for approval by the board and submission to the stockholders.

The Company initially expected to present a plan of liquidation for a vote of the stockholders of the Company within six months from its determination to pursue a liquidation strategy. However, as a result of the adverse market conditions caused by the civil unrest and disruption in Portland and Chicago, where several of the Company's properties are located, and the ongoing uncertainty and business disruptions related to the COVID-19 pandemic, in November 2020, the board determined to delay any proposal to liquidate the Company until market conditions improve. In August 2021, the board of directors, including all the independent directors, determined to resume development of a formal plan of liquidation. We currently expect to present a plan of liquidation and send out a proxy for liquidation vote of the stockholders in early 2022.

2022 Goals

- ✓ Finalize the plan of liquidation
- ✓ Proxy the shareholders for approval of liquidation of the portfolio
- ✓ Begin liquidating the portfolio and returning funds to shareholders

Note: Although the Company is developing a formal plan of liquidation for approval by its board of directors and submission to the stockholders, no assurance can be given as to the amount or timing of liquidating distributions the Company will ultimately pay to its stockholders.



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Q&A

For additional questions,
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