UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______

Commission file number 000-56050

KBS GROWTH & INCOME REIT, INC.
(Exact Name of Registrant as Specified in Its Charter)

Maryland	**47-2778257**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
800 Newport Center Drive, Suite 700 Newport Beach, California	**92660**
(Address of Principal Executive Offices)	(Zip Code)

(949) 417-6500
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Name of Each Exchange on Which Registered**
None	None

Trading Symbol(s)

None

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☐	Accelerated Filer	☐
Non-Accelerated Filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 6, 2024, there were 9,838,569 outstanding shares of Class A common stock and 307,606 outstanding shares of Class T common stock of KBS Growth & Income REIT, Inc.

INDEX TO FINANCIAL STATEMENTS

KBS GROWTH & INCOME REIT, INC.

FORM 10-Q

March 31, 2024

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

KBS GROWTH & INCOME REIT, INC.

CONDENSED CONSOLIDATED STATEMENT OF NET ASSETS

(Liquidation Basis)

(in thousands)

	March 31, 2024	December 31, 2023
	(unaudited)	
Assets		
Real estate	$ 34,021	$ 37,868
Cash and cash equivalents	2,462	3,675
Restricted cash	2,239	1,825
Other assets	10	19
Total assets	38,732	43,387
Liabilities		
Liabilities for estimated costs in excess of estimated receipts during liquidation	644	966
Notes payable	36,035	39,617
Accounts payable and accrued liabilities	773	1,529
Due to affiliates	23	25
Other liabilities	194	225
Total liabilities	37,669	42,362
Commitments and contingencies (Note 9)		
Net assets in liquidation	$ 1,063	$ 1,025

See accompanying condensed notes to consolidated financial statements.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

KBS GROWTH & INCOME REIT, INC.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

For the Three Months Ended March 31, 2024

(Liquidation Basis)

(unaudited, in thousands)

Net assets in liquidation, beginning of period	$	1,025
Changes in net assets in liquidation		
Change in liquidation value of real estate property after closing costs/disposition fees		(264)
Change in estimated cash flow during liquidation		86
Change in estimated capital expenditures		258
Other changes, net		(42)
Changes in net assets in liquidation		38
Net assets in liquidation, end of period	$	1,063

See accompanying condensed notes to consolidated financial statements.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 1. Financial Statements (continued)

KBS GROWTH & INCOME REIT, INC.

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

(unaudited)

1. ORGANIZATION

KBS Growth & Income REIT, Inc. (the "Company") was formed on January 12, 2015 as a Maryland corporation that elected to be taxed as a real estate investment trust ("REIT") beginning with the taxable year ended December 31, 2015. Substantially all of the Company's business is conducted through KBS Growth & Income Limited Partnership (the "Operating Partnership"), a Delaware limited partnership formed on January 14, 2015. The Company is the sole general partner of, and owns a 0.1% partnership interest in, the Operating Partnership. KBS Growth & Income REIT Holdings LLC ("REIT Holdings"), a Delaware limited liability company formed on January 14, 2015, owns the remaining 99.9% partnership interest in the Operating Partnership and is the sole limited partner. The Company is the sole member and manager of REIT Holdings.

Subject to certain restrictions and limitations, the business of the Company is externally managed by KBS Capital Advisors LLC (the "Advisor"), an affiliate of the Company, pursuant to an advisory agreement between the Company and the Advisor initially entered into on June 11, 2015, and amended at various times thereafter (the "Advisory Agreement"). The Advisor conducts the Company's operations and manages its portfolio of core real estate properties. On January 27, 2015, the Company issued 20,000 shares of its common stock to the Advisor at a purchase price of $10.00 per share. On June 11, 2015, these outstanding shares of common stock were designated Class A shares of common stock.

As of March 31, 2024, the Company had one remaining investment in an office property.

The Company commenced capital raising activities in June 2015 through a private placement offering. The private offering was followed by a public offering and a second private offering. In August 2020, the Company's board of directors approved the termination of capital raising activities with the termination of the Company's distribution reinvestment plan offering and second private offering. As of March 31, 2024, the Company had 9,838,569 and 307,606 shares of Class A and Class T common stock outstanding, respectively.

On December 15, 2022 and affirmed on February 2, 2023, the Company's board of directors and a special committee composed of all of the Company's independent directors (the "Special Committee") each approved the sale of all of the Company's assets and the Company's dissolution pursuant to the terms of a plan of complete liquidation and dissolution (the "Plan of Liquidation"). The principal purpose of the Plan of Liquidation is to provide liquidity to the Company's stockholders by selling its assets, paying its debts and distributing the net proceeds from liquidation to the Company's stockholders. On May 9, 2023, the Company's stockholders approved the Plan of Liquidation.

In connection with its consideration of the Plan of Liquidation, the Company's board of directors determined to cease regular distributions and terminated the share redemption program. The Company expects any future liquidity to its stockholders will be provided in the form of liquidating distributions. Subject to successful completion of the sale of the Company's remaining property, the Company intends to make a final liquidating distribution to its stockholders promptly upon payment of all liabilities and establishment of any reserves. The Company can provide no assurances as to the ultimate timing of its final liquidating distribution and complete liquidation and dissolution of the Company; however, the Company anticipates paying its final liquidating distribution and dissolving within 60 days of completion of the sale of its final property, which it expects to occur during the second quarter of 2024. The Company can give no assurance regarding the timing of the sale of the Company's remaining property, proceeds it will receive upon the sale of such property, and the amount or timing of any liquidating distributions to be received by its stockholders.

KBS GROWTH & INCOME REIT, INC.

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

March 31, 2024
(unaudited)

2. PLAN OF LIQUIDATION

The Plan of Liquidation authorizes the Company to undertake an orderly liquidation. In an orderly liquidation, the Company intends to sell or otherwise dispose of its remaining properties, pay or otherwise settle all of its known liabilities, provide for the payment of its unknown or contingent liabilities, distribute any remaining cash to its stockholders, wind up its operations and dissolve. The Company is authorized to provide for the payment of any unascertained or contingent liabilities and may do so by purchasing insurance, by establishing a reserve fund or in other ways.

The Plan of Liquidation enables the Company to sell any and all of its assets without further approval of its stockholders and provides that the amounts and timing of liquidating distributions will be determined by the Company's board of directors or, if a liquidating trust is formed, by the trustees of the liquidating trust, in their discretion. Pursuant to applicable REIT rules, liquidating distributions the Company pays pursuant to the Plan of Liquidation will qualify for the dividends paid deduction, provided that they are paid within 24 months of the May 9, 2023 approval of the plan by the Company's stockholders. However, if the Company cannot sell or otherwise dispose of its remaining real estate property and pay its debts within such time period, or if the board of directors and the Special Committee determine that it is otherwise advisable to do so, the Company may transfer and assign its remaining assets to a liquidating trust. Upon such transfer and assignment, the Company's stockholders would receive beneficial interests in the liquidating trust. The liquidating trust would pay or provide for all of the Company's liabilities and distribute any remaining net proceeds from liquidation to the holders of beneficial interests in the liquidating trust. If the Company is not able to sell or otherwise dispose of its remaining real estate property and pay its debt within the 24-month period and the remaining assets are not transferred to a liquidating trust, any distributions made during the 24 months may not qualify for the dividends paid deduction and may increase the Company's tax liability.

The Company's expectations about the implementation of the Plan of Liquidation and the amount of any liquidating distributions that the Company pays to its stockholders and when the Company will pay them are subject to risks and uncertainties and are based on certain estimates and assumptions, one or more of which may prove to be incorrect. As a result, the actual amount of any liquidating distributions the Company pays to its stockholders may be more or less than the Company estimates and the liquidating distributions may be paid later than the Company predicts. There are many factors that may affect the amount of liquidating distributions the Company will ultimately pay to its stockholders. If the Company underestimates its existing obligations and liabilities or the amount of taxes, transaction fees and expenses relating to the liquidation and dissolution or if unanticipated or contingent liabilities arise, the amount of liquidating distributions ultimately paid to the Company's stockholders could be less than estimated. Moreover, the liquidation value will fluctuate over time in response to developments related to individual assets in the Company's portfolio and the management of those assets, in response to the real estate and finance markets, based on the amount of net proceeds received from the disposition of the remaining assets and due to other factors. Accordingly, it is not possible to precisely predict the timing of any liquidating distributions the Company pays to it stockholders or the aggregate amount of liquidating distributions that the Company will ultimately pay to its stockholders. No assurance can be given that any liquidating distributions the Company pays to its stockholders will equal or exceed the estimate of net assets in liquidation presented on the Condensed Consolidated Statement of Net Assets as of March 31, 2024.

The Company expects to comply with the requirements necessary to continue to qualify as a REIT through the completion of the liquidation process, or until such time as any remaining assets are transferred into a liquidating trust. The board of directors shall use commercially reasonable efforts to continue to cause the Company to maintain its REIT status; provided, however, that the board of directors may elect to terminate the Company's status as a REIT if it determines that such termination would be in the best interest of the stockholders.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 1. Financial Statements (continued)

KBS GROWTH & INCOME REIT, INC.

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

March 31, 2024

(unaudited)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation and Basis of Presentation

The accompanying unaudited consolidated financial statements and condensed notes thereto have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information as contained within the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), including Subtopic 205-30, "Liquidation Basis of Accounting," as indicated, and the rules and regulations of the Securities and Exchange Commission, including the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, the unaudited consolidated financial statements do not include all of the information and footnotes required by GAAP for audited financial statements. In the opinion of management, the financial statements for the unaudited interim periods presented include all adjustments, which are of a normal and recurring nature, necessary for a fair and consistent presentation of the results for such periods.

Pursuant to the Company's stockholders' approval of the Plan of Liquidation, the Company adopted the liquidation basis of accounting as of and for the periods subsequent to April 1, 2023 (as the approval of the Plan of Liquidation by the Company's stockholders became imminent during the month of April 2023 based on the results of the Company's solicitation of proxies from its stockholders for their approval of the Plan of Liquidation). Accordingly, on April 1, 2023, assets were adjusted to their estimated net realizable value, or liquidation value, which represents the estimated amount of cash or other consideration, such as debt relief, that the Company expects to realize through the disposal of assets as it carries out the Plan of Liquidation. The liquidation value of the Company's remaining real estate property is presented on an undiscounted basis and is based on the amount of debt anticipated to be relieved with the sale of the property. Liabilities are carried at their contractual amounts due or estimated settlement amounts.

The Company accrues costs and income that it expects to incur and earn through the completion of its liquidation, including the estimated amount of cash or other consideration that the Company expects to realize through the disposal of its assets and the estimated costs to dispose of its assets, to the extent it has a reasonable basis for estimation. These amounts are classified as a liability for estimated costs in excess of estimated receipts during liquidation on the Condensed Consolidated Statement of Net Assets. Actual costs and income may differ from amounts reflected in the financial statements because of the inherent uncertainty in estimating future events. These differences may be material. See Note 2, "Plan of Liquidation" and Note 4, "Liabilities for Estimated Costs in Excess of Estimated Receipts During Liquidation" for further discussion. Actual costs incurred but unpaid as of March 31, 2024 are included in accounts payable and accrued liabilities, due to affiliates and other liabilities on the Condensed Consolidated Statement of Net Assets.

Net assets in liquidation represents the remaining estimated liquidation value available to stockholders upon liquidation. Due to the uncertainty in the timing of the sale of the Company's remaining real estate property and the estimated cash flows from operations, actual liquidation costs and sale proceeds may differ materially from the amounts estimated.

Use of Estimates

The preparation of the unaudited consolidated financial statements and condensed notes thereto in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and condensed notes. Actual results could materially differ from those estimates.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 1. Financial Statements (continued)

KBS GROWTH & INCOME REIT, INC.

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

March 31, 2024

(unaudited)

4. LIABILITIES FOR ESTIMATED COSTS IN EXCESS OF ESTIMATED RECEIPTS DURING LIQUIDATION

The liquidation basis of accounting requires the Company to estimate net cash flows from operations and to accrue all costs associated with implementing and completing the Plan of Liquidation. As of March 31, 2024, the Company estimated that it will have costs in excess of estimated receipts during the liquidation process. These amounts can vary significantly due to, among other things, the timing and estimates for executing and renewing leases, estimates of tenant improvement costs and capital expenditures, the timing of sale of the remaining real estate property, direct costs incurred to complete the sale, the timing and amounts associated with discharging known and contingent liabilities and the costs associated with the winding down of operations. These costs are estimated and are anticipated to be paid out over the liquidation period.

The change in the liabilities for estimated costs in excess of estimated receipts during liquidation as of March 31, 2024 is as follows (in thousands):

	December 31, 2023	Cash Payments (Receipts)	Remeasurement of Assets and Liabilities	March 31, 2024
Assets:				
Estimated net inflows (outflows) from investments in real estate	$ 95	$ (276)	$ 52	$ (129)
	95	(276)	52	(129)
Liabilities:				
Liquidation transaction costs	(300)	—	40	(260)
Corporate expenditures	(490)	241	(6)	(255)
Capital expenditures	(271)	13	258	—
	(1,061)	254	292	(515)
Total liabilities for estimated costs in excess of estimated receipts during liquidation	$ (966)	$ (22)	$ 344	$ (644)

5. NET ASSETS IN LIQUIDATION

The net assets in liquidation as of March 31, 2024 would result in the payment of estimated liquidating distributions of approximately $0.10 per share of common stock to the Company's stockholders of record as of March 31, 2024. This estimate of liquidating distributions includes projections of costs and expenses to be incurred during the estimated period required to complete the Plan of Liquidation. There is inherent uncertainty with these estimates and projections, and they could change materially based on the timing of the disposition of the Company's remaining real estate property, the performance of the Company's remaining property prior to sale and any changes in the underlying assumptions of the projected cash flows from such property. See Note 2, "Plan of Liquidation."

6. REAL ESTATE

As of March 31, 2024, the Company owned one office property, encompassing in the aggregate 203,284 rentable square feet with an estimated liquidation value of $34.0 million. As of March 31, 2024, the real estate property was 92.9% occupied. Subsequent to March 31, 2024, the Company, through an indirect wholly owned subsidiary, entered into a purchase and sale agreement and escrow instructions for the sale of the real estate property. No assurances can be provided regarding the successful sale of the property. See Note 10, "Subsequent Events – Purchase and Sale Agreement for Sale of The Offices at Greenhouse."

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 1. Financial Statements (continued)

KBS GROWTH & INCOME REIT, INC.

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

March 31, 2024

(unaudited)

6. REAL ESTATE (CONTINUED)

As a result of adopting the liquidation basis of accounting in April 2023, as of March 31, 2024, the remaining real estate property was recorded at its estimated liquidation value, which represents the estimated gross amount of cash or other consideration, such as debt relief, the Company expects to realize through the disposition of its real estate property owned as of March 31, 2024 as it carries out its Plan of Liquidation.

Disposition of 210 W. Chicago

On March 4, 2024, the Company, through an indirect wholly owned subsidiary, entered into a purchase and sale agreement and escrow instructions (the "210 W. Chicago Agreement") for the sale of 210 W. Chicago to an unaffiliated purchaser (the "210 W. Chicago Purchaser").

On March 27, 2024, the Company completed the sale of 210 W. Chicago for $2.7 million, before third-party closing costs and prorations and security deposit obligations transferred to the 210 W. Chicago Purchaser.

7. NOTES PAYABLE

As of March 31, 2024 and December 31, 2023, the Company's notes payable consisted of the following (dollars in thousands):

	Book Value as of March 31, 2024	Book Value as of December 31, 2023	Contractual Interest Rate as of March 31, 2024 (1)	Effective Interest Rate at March 31, 2024 (1)	Payment Type	Maturity Date (2)
Modified Term Loan (3)	$ 36,035	$ 36,035	One-month Term SOFR + 0.10% + 2.50% (3)	7.93%	Interest Only	05/09/2024 (3)
210 W. Chicago Mortgage Loan (4)	—	3,582	(4)	(4)	(4)	(4)
Notes payable principal outstanding	$ 36,035	$ 39,617				

(1) Contractual interest rate represents the interest rate in effect under the loan as of March 31, 2024. Effective interest rate is calculated as the actual interest rate in effect as of March 31, 2024 using interest rate indices as of March 31, 2024.

(2) Represents the maturity date as of March 31, 2024.

(3) The Modified Term Loan is secured by the Offices at Greenhouse as of March 31, 2024. The Modified Term Loan bears interest at the forward-looking term rate based on Secured Overnight Financing Rate ("SOFR") with a tenor comparable to the one-month Term SOFR plus 10 basis points (collectively, the "Adjusted Term SOFR") plus 250 basis points per annum. On a monthly basis, any excess cash flow (as defined in the modification agreement) from the Offices at Greenhouse is required to be deposited into an account which will serve as additional security for the Modified Term Loan. Subject to certain terms and conditions contained in the loan documents, cash currently held by the Company may only be used for the Company's operating costs including but not limited to the Company's general and administrative costs, liquidation costs, capital costs and any other reasonable costs and expenses required to maintain the Company as a going concern (collectively "REIT Operating Costs"), but for no other purpose. The Modified Term Loan is full recourse under the guaranty provided by KBSGI REIT Properties, LLC ("KBS GI REIT Properties"), the Company's wholly owned subsidiary. Subsequent to March 31, 2024, the borrower under the Modified Term Loan entered into a discounted payoff agreement and a modification agreement with the lender and extended the maturity date of the Modified Term Loan to May 31, 2024. See Note 10, "Subsequent Events – Discounted Payoff Agreement for the Modified Term Loan" and Note 10, "Subsequent Events – Modified Term Loan."

(4) See below, "Recent Financing Transactions – Discounted Payoff Agreement for 210 W. Chicago Mortgage Loan."

As of March 31, 2024 and December 31, 2023, $0.2 million and $0.3 million of interest expense were payable, respectively.

7. NOTES PAYABLE (CONTINUED)

Recent Financing Transactions

Discounted Payoff Agreement for 210 W. Chicago Mortgage Loan

In connection with the purchase and sale agreement for sale of 210 W. Chicago, the Company, through the borrower under the 210 W. Chicago Mortgage Loan, entered into a discounted payoff agreement with the lender of the loan (the “210 W. Chicago Lender”), effective as of March 1, 2024 (the “210 W. Chicago Discounted Payoff Agreement”). Pursuant to the 210 W. Chicago Discounted Payoff Agreement, the borrower had the option to pay off the 210 W. Chicago Mortgage Loan in full at a discount by paying to the 210 W. Chicago Lender on or before March 29, 2024 an amount equal to the greater of (a) 100% of the net sales proceeds generated by the sale of 210 W. Chicago or (b) $2.3 million.

Upon the disposition of 210 W. Chicago on March 27, 2024, the Company paid the 210 W. Chicago Mortgage Lender $2.3 million, the full amount due under the 210 W. Chicago Discounted Payoff Agreement.

8. RELATED PARTY TRANSACTIONS

Pursuant to the Advisory Agreement, the Company is obligated to pay the Advisor specified fees upon the provision of certain services related to the management of the Company’s investments and for other services (including, but not limited to, the disposition of investments). The Company is also obligated to reimburse the Advisor for certain operating expenses incurred on behalf of the Company or incurred in connection with providing services to the Company.

In addition, in connection with property acquisitions, the Company, through indirect wholly owned subsidiaries, has entered into separate Property Management Agreements (defined below) with KBS Management Group, LLC, an affiliate of the Advisor (the “Co-Manager”).

The Company has also entered into a fee reimbursement agreement with KBS Capital Markets Group LLC (the “Dealer Manager”) pursuant to which the Company agreed to reimburse the Dealer Manager for certain fees and expenses it incurs for administering the Company’s participation in the DTCC Alternative Investment Product Platform with respect to certain accounts of the Company’s investors serviced through the platform.

The Advisor also serves or served as the advisor for KBS Real Estate Investment Trust II, Inc. (“KBS REIT II”) (liquidated May 2023) and KBS Real Estate Investment Trust III, Inc. (“KBS REIT III”). The Dealer Manager also served as the dealer manager for KBS REIT II and KBS REIT III.

As of January 1, 2023, the Company, together with KBS REIT III, the Dealer Manager, the Advisor and other KBS affiliated entities, had entered into an errors and omissions and directors and officers liability insurance program where the lower tiers of such insurance coverage were shared. The cost of these lower tiers is allocated by the Advisor and its insurance broker among each of the various entities covered by the program and is billed directly to each entity. In connection with the Company’s liquidation, the Company ceased participation in the program as of June 30, 2023 and obtained separate insurance coverage.

During the three months ended March 31, 2024 and 2023, no other business transactions occurred between the Company and KBS REIT II and KBS REIT III.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 1. Financial Statements (continued)

KBS GROWTH & INCOME REIT, INC.

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

March 31, 2024

(unaudited)

8. RELATED PARTY TRANSACTIONS (CONTINUED)

Pursuant to the terms of these agreements, summarized below are the related-party costs incurred by the Company for the three months ended March 31, 2024 and 2023, and any related amounts receivable and payable as of March 31, 2024 and December 31, 2023 (in thousands).

	Incurred		Payable as of	
	Three Months Ended March 31,		March 31,	December 31,
	2024	2023	2024	2023
Expensed				
Asset management fees [(1)]	$ —	$ —	$ —	$ —
Reimbursement of operating expenses [(2)]	41	16	23	25
Property management fees [(3)]	—	—	—	—
	$ 41	$ 16	$ 23	$ 25

(1) The asset management fee is a monthly fee payable to the Advisor in an amount equal to one-twelfth of 1.0% of the cost of the Company's investments including the portion of the investment that is debt financed. For the period from October 2017 through September 2022, the Company had accrued and deferred payment of $8.9 million of asset management fees. In January 2023, the Advisor waived payment of its asset management fees from October 1, 2022 through the Company's liquidation and waived $3.0 million of accrued asset management fees. In March 2024, the Advisor waived the remaining $5.9 million of deferred asset management fees and as a result, no asset management fees were owed to the Advisor as of March 31, 2024.

(2) See "Reimbursable Operating Expenses" below.

(3) See "Real Estate Property Co-Management Agreements" below. The Co-Manager has waived payment of its property management fees effective October 1, 2022 through the Company's liquidation.

Reimbursable Operating Expenses

Reimbursable operating expenses primarily related to directors and officers liability insurance, legal fees, state and local taxes, accounting software and cybersecurity related expenses incurred by the Advisor under the Advisory Agreement. The Company has reimbursed the Advisor for the Company's allocable portion of the salaries, benefits and overhead of internal audit department personnel providing services to the Company. These amounts totaled $28,000 and $16,000 for the three months ended March 31, 2024 and 2023, respectively, and were the only type of employee costs reimbursed under the Advisory Agreement for the periods. The Company does not reimburse for employee costs in connection with services for which the Advisor earned or earns acquisition, origination or disposition fees (other than reimbursement of travel and communication expenses) or for the salaries or benefits the Advisor or its affiliates may pay to the Company's executive officers. In addition to the amounts above, the Company reimburses the Advisor for certain of the Company's direct costs incurred from third parties that were initially paid by the Advisor on behalf of the Company.

The Advisor must reimburse the Company the amount by which the Company's aggregate total operating expenses for the four fiscal quarters then ended exceed the greater of 2% of the Company's average invested assets or 25% of the Company's net income, unless the conflicts committee has determined that such excess expenses were justified based on unusual and non-recurring factors. Operating expenses for the four fiscal quarters ended March 31, 2024 did not exceed the charter-imposed limitation.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 1. Financial Statements (continued)

KBS GROWTH & INCOME REIT, INC.

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

March 31, 2024

(unaudited)

8. RELATED PARTY TRANSACTIONS (CONTINUED)

Real Estate Property Co-Management Agreements

In connection with its property acquisitions, the Company, through separate, indirect, wholly-owned subsidiaries, entered into separate property management agreements (each, a "Property Management Agreement") with the Co-Manager for each of its properties. Under each Property Management Agreement, the Co-Manager will provide certain management services related to these properties in addition to those provided by the third-party property managers. In exchange for these services, the Company pays the Co-Manager a monthly fee equal to a percentage of the rent, payable and actually collected for the month from each of the properties. Each Property Management Agreement has an initial term of one year and will be deemed renewed for successive one-year periods provided it is not terminated. Each party may terminate the Property Management Agreement without cause on 30 days' written notice to the other party and may terminate each Property Management Agreement for cause on 5 days' written notice to the other party upon the occurrence of certain events as detailed in each Property Management Agreement. The Co-Manager has waived payment of its property management fees effective October 1, 2022 through the Company's liquidation.

Property Name	Effective Date	Annual Fee Percentage
The Offices at Greenhouse	11/14/2016	0.25%

9. COMMITMENTS AND CONTINGENCIES

Economic Dependency

The Company depends on the Advisor for certain services that are essential to the Company, including the implementation of the Plan of Liquidation, management of the daily operations of the Company's investment portfolio, disposition of investments and other general and administrative responsibilities. In the event that the Advisor is unable to provide such services, the Company will be required to obtain such services from other sources.

Legal Matters

From time to time, the Company may become party to legal proceedings that arise in the ordinary course of its business. Management is not aware of any legal proceedings of which the outcome is probable or reasonably possible to have a material adverse effect on the Company's results of operations or financial condition, which would require accrual or disclosure of the contingency and possible range of loss. Additionally, the Company has not recorded any loss contingencies related to legal proceedings in which the potential loss is deemed to be remote.

Environmental

As an owner of real estate, the Company is subject to various environmental laws of federal, state and local governments. Although there can be no assurance, the Company is not aware of any environmental liability that could have a material adverse effect on its financial condition or results of operations. However, changes in applicable environmental laws and regulations, the uses and conditions of properties in the vicinity of the Company's property, the activities of its tenants and other environmental conditions of which the Company is unaware with respect to the property could result in future environmental liabilities.

10. SUBSEQUENT EVENTS

The Company evaluates subsequent events up until the date the consolidated financial statements are issued.

Purchase and Sale Agreement for Sale of The Offices at Greenhouse

On November 14, 2016, the Company, through an indirect wholly owned subsidiary (the "Owner"), acquired a five-story Class A office building containing 203,284 rentable square feet located on approximately 4.6 acres of land in Houston Texas ("The Offices at Greenhouse").

The Owner entered into a purchase and sale agreement and escrow instructions (the "Sale Agreement") for the sale of The Offices at Greenhouse to Red River Asset Management, LLC (the "Purchaser") which became binding on the Company upon execution of the Discounted Payoff Agreement (as described below). The Purchaser is unaffiliated with the Company or the Advisor. Pursuant to the Sale Agreement, the sale price for The Offices at Greenhouse is $18.3 million, subject to prorations and closing credits as provided in the Sale Agreement.

The closing is expected to occur no later than May 17, 2024. There can be no assurance that the Company will complete the sale of The Offices at Greenhouse. The Purchaser would be obligated to purchase The Offices at Greenhouse only after satisfaction of agreed upon closing conditions. In some circumstances, if the Purchaser fails to complete the acquisition, it may forfeit up to $0.8 million.

Discounted Payoff Agreement for the Modified Term Loan

In connection with the execution of the Sale Agreement, the Owner, as borrower under the Modified Term Loan, which is secured by The Offices at Greenhouse, entered into a discounted payoff agreement with JP Morgan Chase Bank, N.A. (the "Lender"), effective as of April 11, 2024 (the "Discounted Payoff Agreement"). Pursuant to the Discounted Payoff Agreement, the Owner has the option to pay off the Modified Term Loan in full and complete satisfaction of all obligations of the Owner and KBS GI REIT Properties, the guarantor under the Modified Term Loan, at a discount by paying to the Lender an amount equal to the net sales proceeds generated by the sale of The Offices at Greenhouse, plus any cash and deposit amounts currently held by the Owner and KBS GI REIT Properties pursuant to certain terms and conditions as described in the Discounted Payoff Agreement.

Modified Term Loan

On April 11, 2024, the Owner entered into a fourth modification agreement with the Lender to extend the maturity date of the Modified Term Loan to May 31, 2024 (the "Fourth Modification Agreement"). If The Offices at Greenhouse sale fails to close by May 31, 2024, the Discounted Payoff Agreement will terminate and all amounts outstanding and due to the Lender of $36.0 million would remain outstanding.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the accompanying financial statements of KBS Growth & Income REIT, Inc. and the notes thereto. As used herein, the terms "we," "our" and "us" refer to KBS Growth & Income REIT, Inc., a Maryland corporation, and, as required by context, KBS Growth & Income Limited Partnership, a Delaware limited partnership, which we refer to as the "Operating Partnership," and to their subsidiaries.

Forward-Looking Statements

Certain statements included in this Quarterly Report on Form 10-Q are forward-looking statements. Those statements include statements regarding the intent, belief or current expectations of KBS Growth & Income REIT, Inc. and members of our 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. These include statements about our plans, strategies, prospects and the Plan of Liquidation (defined herein) and these statements are subject to known and unknown risks and uncertainties. Readers are cautioned not to place undue reliance on these forward-looking statements. Actual results may differ materially from those contemplated by such forward-looking statements. Further, forward-looking statements speak only as of the date they are made, and we undertake 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. Moreover, you should interpret many of the risks set forth below as being heightened as a result of the continued disruptions in the financial markets impacting the U.S. commercial real estate industry, especially as it pertains to commercial office buildings.

The following are some of the risks and uncertainties, although not all of the risks and uncertainties, that could cause our actual results to differ materially from those presented in our forward-looking statements:

- The ongoing challenges affecting the U.S. commercial real estate industry, especially as it pertains to commercial office buildings, continues to be one of the most significant risks and uncertainties we face. The combination of the continued economic slowdown, high interest rates and persistent inflation, as well as a lack of lending activity in the debt markets, have contributed to considerable weakness in the commercial real estate markets. Upcoming and recent tenant lease expirations and leasing challenges in certain markets amidst the aforementioned headwinds coupled with slower than expected return-to-office have had direct and material impact on the value of our real estate. Further, the weakness in the debt markets has adversely impacted the ability of potential buyers of our properties to access financing. Continued disruptions in the financial markets and economic uncertainty could adversely affect our ability to implement our Plan of Liquidation and the liquidation proceeds available for distribution to our stockholders.
- Although our board of directors and our stockholders have approved the sale of all of our assets and our dissolution pursuant to the terms of a plan of complete liquidation and dissolution (the "Plan of Liquidation"), we can give no assurances whether we will be able to successfully implement the Plan of Liquidation and sell our remaining asset, satisfy our debts and distribute the net proceeds from liquidation to our stockholders as we intend. If we underestimated our existing obligations and liabilities or if unanticipated or contingent liabilities arise, the amount of liquidating distributions ultimately paid to our stockholders could be less than estimated.
- We may face unanticipated difficulties, delays or expenditures relating to our implementation of the Plan of Liquidation, which may reduce or delay our payment of liquidating distributions.
- We can give no assurance regarding the timing of the sale of the remaining real estate property in our portfolio and the proceeds we will receive upon the sale of such property and the amount and timing of liquidating distributions to be received by our stockholders. In particular, our portfolio is highly leveraged and small changes to the value of our real estate asset used to estimate liquidation proceeds have a large impact on our equity and related liquidating distributions to our stockholders. In addition, to the extent the disposition of our remaining asset takes longer than anticipated, our operating costs will be higher than estimated for purposes of estimating our net proceeds from liquidation and will reduce amounts available to distribute to our stockholders.
- All of our executive officers, one of our directors and other key real estate and debt finance professionals are also officers, directors, managers, key professionals and/or holders of a direct or indirect controlling interest in our advisor, and/or other KBS-affiliated entities. As a result, they face conflicts of interest, including significant conflicts created by our advisor's and its affiliates' compensation arrangements with us and other KBS-sponsored programs and KBS-advised investors and conflicts in allocating time among us and these other programs and investors. Although we have adopted corporate governance measures to ameliorate some of the risks posed by these conflicts, these conflicts could result in action or inaction that is not in the best interests of our stockholders.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

- As of the date of this filing, we have one office building remaining in our portfolio, The Offices at Greenhouse. As a result, downturns in Houston, Texas, where this property is located, will have a more significant adverse impact on our net asset value than if we had a more diversified investment portfolio. In addition, due to the small size of our portfolio, our fixed costs associated with managing the REIT and our portfolio are a large percentage of our net operating income.
- As a result of decreased real estate values, we are currently highly leveraged and as a result, the ultimate net proceeds from liquidation paid to stockholders may be significantly impacted by small changes in real estate values as any impact to equity will impact the amount of cash available to make liquidating distributions. In addition, the Modified Term Loan is maturing at the end of May 2024 and the outstanding debt obligation exceeds the liquidation value of The Offices at Greenhouse, the real estate property securing the loan. We have reached a discounted payoff agreement with the lender under the Modified Term Loan; however, if the sale of The Offices at Greenhouse is not completed by the May 31, 2024 maturity date of the loan, we will need to consider other alternatives to satisfy such obligation as the full amount of the debt outstanding will become due and payable on the maturity date. Further, if we are unable to satisfy our payment obligation with respect to the Modified Term Loan, the lender could pursue its remedies under the loan documents, including foreclosing on the Offices at Greenhouse which is pledged as collateral under the Modified Term Loan lender and/or could exercise its rights against KBS GI Properties under the full recourse guaranty provided by KBS GI REIT Properties which would delay our ability to complete our liquidation.
- The Modified Term Loan is a variable interest rate loan. The interest and related payments will vary with the movement of SOFR or other indexes. Increases in the indexes will increase the amount of our debt payments and limit our ability to pay liquidating distributions to our stockholders.
- We depend on tenants for the revenue generated by our real estate investments and, accordingly, the revenue generated by our real estate investments is dependent upon the success and economic viability of our tenants. Revenues from our remaining property could decrease due to a reduction in occupancy (caused by factors including, but not limited to, tenant defaults, tenant insolvency, early termination of tenant leases and non-renewal of existing tenant leases, which have been more frequent due to the slow return to office resulting from the COVID-19 pandemic), rent deferrals or abatements, tenants becoming unable to pay their rent and/or lower rental rates, making it more difficult for us to meet our debt service obligations and reducing our stockholders' returns. Further, the resale value of a property depends principally upon the value of the cash flow generated by the leases associated with that property. Non-renewals, terminations or lease defaults could reduce any net sales proceeds received upon the sale of the property and would adversely affect the amount of liquidating distributions received by our stockholders.
- Because no public trading market for our shares currently exists and because our share redemption program has been terminated by our board of directors, our stockholders may not realize the cash value of their shares until we complete our liquidation pursuant to the Plan of Liquidation.

The following discussion and analysis should be read in conjunction with our accompanying condensed consolidated financial statements and notes thereto. Also see "Forward-Looking Statements" and risks identified above.

Overview

We were formed on January 12, 2015 as a Maryland corporation that elected to be taxed as a real estate investment trust ("REIT") beginning with the taxable year ended December 31, 2015 and we intend to continue to operate in such a manner through our liquidation and dissolution. Substantially all of our business is conducted through our Operating Partnership, of which we are the sole general partner. Subject to certain restrictions and limitations, our business is externally managed by our advisor pursuant to an advisory agreement. KBS Capital Advisors manages our operations and our portfolio of core real estate properties, including the implementation of the Plan of Liquidation. KBS Capital Advisors also provides asset-management, marketing, investor-relations and other administrative services on our behalf. Our advisor acquired 20,000 shares of our Class A common stock for an initial investment of $200,000. We have no paid employees.

We commenced a private placement offering of our shares of common stock that was exempt from registration pursuant to Rule 506(b) of Regulation D of the Securities Act of 1933, as amended (the "Securities Act"), on June 11, 2015. We ceased offering shares in the primary portion of our private offering on April 27, 2016. KBS Capital Markets Group LLC, an affiliate of our advisor, served as the dealer manager for the offering pursuant to a dealer manager agreement.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

On April 26, 2016, the SEC declared our registration statement on Form S-11, pursuant to which we registered shares of our common stock for sale to the public, effective, and we retained KBS Capital Markets Group LLC to serve as the dealer manager for the initial public offering. We terminated the primary initial public offering effective June 30, 2017. We terminated the distribution reinvestment plan offering effective August 20, 2020.

On October 3, 2017, we launched a second private placement offering of our shares of common stock that exempt from registration pursuant to Rule 506(c) of Regulation D of the Securities Act. In connection with the offering, we entered into a dealer manager agreement with KBS Capital Advisors and an unaffiliated third party. In December 2019, our board of directors determined to suspend the second private offering and terminated the second private offering on August 5, 2020.

Through our capital raising activities, we raised $94.0 million from the sale of 10,403,922 shares of our common stock, including $8.5 million from the sale of 924,286 shares of common stock under our distribution reinvestment plan. As of March 31, 2024, we had 9,838,569 and 307,606 Class A and Class T shares outstanding, respectively.

As of March 31, 2024, we owned one office property.

On December 15, 2022 and affirmed on February 2, 2023, our board of directors and a committee composed of all of our independent directors (the "Special Committee") each approved the sale of all of our assets and our dissolution pursuant to the Plan of Liquidation. The principal purpose of the Plan of Liquidation is to provide liquidity to our stockholders by selling our assets, paying our debts and distributing the net proceeds from liquidation to our stockholders. On May 9, 2023, our stockholders approved the Plan of Liquidation. For more information, see the Plan of Liquidation, which is included as an exhibit to our Quarterly Report on Form 10-Q for the period ended June 30, 2023. We can provide no assurances as to the timing of the liquidation of the company.

As a result of the approval of the Plan of Liquidation by our stockholders in May 2023, we adopted the liquidation basis of accounting as of April 1, 2023, as described further in Note 3, "Summary of Significant Accounting Policies – Principles of Consolidation and Basis of Presentation."

Plan of Liquidation

We intend to pursue an orderly liquidation of our company by selling or otherwise disposing of our remaining real estate property, paying or otherwise settling our debts and our known liabilities, providing for the payment of unknown or contingent liabilities, distributing the net proceeds from liquidation to our stockholders and winding up our operations and dissolving our company. While pursuing our liquidation pursuant to the Plan of Liquidation, we intend to continue to manage our remaining real estate property to maintain and, if possible, improve the quality and income-producing ability of our property to enhance property stability and better position our property for sale.

Subject to successful completion of the sale of our remaining property, we intend to make a final liquidating distribution to our stockholders promptly upon payment of all liabilities and establishment of any reserves. For the reasons discussed below, we can provide no assurances as to the ultimate timing of our final liquidating distribution and complete liquidation and dissolution of our company; however, we anticipate paying our final liquidating distribution and dissolving within 60 days of completion of the sale of our final property which is expected to occur during the second quarter of 2024. If we cannot sell or otherwise dispose of our assets and pay our debts within 24 months from May 9, 2023, or if the board of directors and the special committee determine that it is otherwise advisable to do so, pursuant to the Plan of Liquidation, we may transfer and assign our remaining assets to a liquidating trust. Upon such transfer and assignment, our stockholders will receive beneficial interests in the liquidating trust.

The ongoing challenges affecting the U.S. commercial real estate industry, especially as it pertains to commercial office buildings, continues to be one of the most significant risks and uncertainties we face with respect to the Plan of Liquidation and the timing and ultimate amount of liquidating distributions received by stockholders. The combination of the continued economic slowdown, high interest rates and persistent inflation, as well as a lack of lending activity in the debt markets, have contributed to considerable weakness in the commercial real estate markets. Further, potential changes in customer behavior, such as the continued acceptance, desirability and perceived economic benefits of work-from-home arrangements, resulting from the COVID-19 pandemic, have materially and negatively impact the future demand for office space, adversely impacting the value of our real estate and the liquidation proceeds available for distribution to our stockholders. Moreover, valuations for U.S. office properties continue to fluctuate due to weakness in the current real estate capital markets as a result of the factors above and the lack of transaction volume for U.S. office properties, increasing the uncertainty of valuations in the current market environment. In addition, our portfolio is highly leveraged and small changes to the value of our real estate assets have a large impact on our equity and related liquidating distributions to our stockholders.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

We elected to be taxed as a REIT under the Internal Revenue Code, beginning with the taxable year ended December 31, 2015. If we meet the REIT qualification requirements, we generally will not be subject to federal income tax on the income that we distribute to our stockholders each year. If we fail to qualify for taxation as a REIT in any year after electing REIT status, our income will be taxed at regular corporate rates, and we may be precluded from qualifying for treatment as a REIT for the four-year period following our failure to qualify. Such an event could materially and adversely affect our net income and liquidating distribution to our stockholders. However, we are organized and will operate in a manner that will enable us to qualify for treatment as a REIT for federal income tax purposes beginning with our taxable year ended December 31, 2015, and we will continue to operate so as to remain qualified as a REIT for federal income tax purposes thereafter.

Market Outlook – Real Estate and Real Estate Finance Markets

The ongoing challenges affecting the U.S. commercial real estate industry, especially as it pertains to commercial office buildings, continues to be one of the most significant risks and uncertainties we face. The combination of the continued economic slowdown, high interest rates and persistent inflation, as well as a lack of lending activity in the debt markets, have contributed to considerable weakness in the commercial real estate markets. Upcoming and recent tenant lease expirations and leasing challenges in certain markets amidst the aforementioned headwinds coupled with slower than expected return-to-office have had direct and material impact on the value of our real estate and our ability to access the debt markets.

We cannot predict to what extent economic activity, including the use of and demand for office space, will return to pre-pandemic levels. The usage of our assets remains lower than pre-pandemic levels. In addition, we have experienced a significant reduction in leasing interest and activity when compared to pre-pandemic levels.

Further, the challenging economic circumstances have created a difficult environment in which to continue to create value in our portfolio consistent with our core-plus investment strategy. The properties in our portfolio were acquired to provide an opportunity for us to achieve more significant capital appreciation by increasing occupancy, negotiating new leases with higher rental rates and/or executing enhancement projects, all of which have become more difficult as a result of the impacts of COVID-19 on the demand for office space.

Continued disruptions in the financial markets and economic uncertainty may continue to adversely affect our ability to implement the Plan of Liquidation and the liquidation proceeds available for distribution to our stockholders. Further, potential changes in customer behavior, such as the continued acceptance, desirability and perceived economic benefits of work-from-home arrangements, resulting from the COVID-19 pandemic, may continue to materially and negatively impact the future demand for office space, adversely impacting our ability to implement the Plan of Liquidation and the liquidation proceeds available for distribution to our stockholders. Moreover, valuations for U.S. office properties continue to fluctuate due to weakness in the current real estate capital markets as a result of the factors above and the lack of transaction volume for U.S. office properties, increasing the uncertainty of valuations in the current market environment.

Liquidity and Capital Resources

As described above under "—Overview – Plan of Liquidation," our board of directors and our stockholders have approved the sale of all of our assets and our dissolution pursuant to the terms of the Plan of Liquidation. The principal purpose of the Plan of Liquidation is to provide liquidity to our stockholders by selling our assets, paying our debts and distributing the net proceeds from liquidation to our stockholders.

Subject to successful completion of the sale of our remaining property, we intend to make a final liquidating distribution to our stockholders promptly upon payment of all liabilities and establishment of any reserve. We can provide no assurances as to the ultimate timing of our final liquidating distribution and complete liquidation and dissolution of our company; however, we anticipate paying our final liquidating distribution and dissolving within 60 days of completion of the sale of our final property which is expected to occur during the second quarter of 2024.

Our principal demands for funds while we complete our liquidation are and will be for the payment of operating expenses, capital expenditures and general and administrative expenses, including expenses in connection with the Plan of Liquidation; payments under debt obligations; capital commitments; and payments of distributions to stockholders pursuant to the Plan of Liquidation. We expect to use our cash on hand and any net proceeds available as our primary source of liquidity. To the extent available, we also intend to use cash flow generated by our real estate investments; however, asset sales or dispositions will further reduce cash flow from these sources.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

On December 15, 2022, in connection with the approval of the Plan of Liquidation, our board of directors approved the termination of our share redemption program effective December 30, 2022. Our board of directors expects that future liquidity will be provided to our stockholders through liquidating distributions.

Our investments in real estate generate cash flow in the form of rental revenues and tenant reimbursements, which are reduced by operating expenditures, capital expenditures, debt service payments and corporate general and administrative expenses. Cash flow from operations from real estate investments is primarily dependent upon the occupancy level of our portfolio, the net effective rental rates on our leases, the collectibility of rent and operating recoveries from our tenants and how well we manage our expenditures, all of which may be adversely affected by the impact of the COVID-19 pandemic on office properties as discussed above and more recently inflation.

Our cash and cash equivalents on hand are currently limited. The fixed costs associated with managing a public REIT, including the significant cost of compliance with all federal, state and local regulatory requirements applicable to us with respect to our business activities, are substantial. Such costs include, without limitation, the cost of preparing all financial statements required under applicable regulations and all reports, documents and filings required under the Exchange Act, or other federal or state laws for the general maintenance of our status as a REIT, under the applicable provisions of the Code, or otherwise. Given the size of our portfolio of properties, these costs constitute a significant percentage of our gross income, reducing our net income and cash flow.

Our advisor advanced funds to us, which are non-interest bearing, for distribution record dates through the period ended May 31, 2016. In connection with the adoption of the Plan of Liquidation by our board of directors, our Advisor waived payment of the $1.3 million advanced funds.

As of March 31, 2024, we had one mortgage debt obligation, the Modified Term Loan.

The Modified Term Loan is secured by The Offices at Greenhouse and has an outstanding balance of $36.0 million, which is in excess of the value of the real estate. Subsequent to March 31, 2024, we, through an indirect wholly owned subsidiary (the "Owner") entered into a purchase and sale agreement and escrow instructions with an unaffiliated third party for the sale of The Offices at Greenhouse (the "Sale Agreement") for $18.3 million. See "– Subsequent Events – Purchase and Sale Agreement for Sale of The Offices at Greenhouse." In connection with the Sale Agreement, we, through the Owner, also the borrower under the Modified Term Loan, entered into a discounted payoff agreement with the lender, effective April 11, 2024. The discounted payoff agreement provides for the satisfaction of the outstanding debt obligation subject to receipt of a discounted payoff amount no later than May 31, 2024. See "– Subsequent Events – Discounted Payoff Agreement for the Modified Term Loan." If we are unable to close the sale of The Offices at Greenhouse, we may be required to consider other alternatives to satisfy the obligation. Also subsequent to March 31, 2024, we extended the maturity date of the Modified Term Loan to May 31, 2024. If we are unable to meet our payment obligation at maturity, the lender could foreclose on The Offices at Greenhouse, and could potentially exercise its rights against KBS GI REIT Properties under the full recourse guaranty provided by KBS GI REIT Properties, which would delay our ability to complete our liquidation. In addition, subject to certain terms and conditions contained in the loan documents, cash currently held by us may only be used for our operating costs including but not limited to our general and administrative costs, liquidation costs, capital costs and any other reasonable costs and expenses required to maintain the company as a going concern, but for no other purpose.

In addition to using our capital resources to meet our debt service obligations, for capital expenditures and for operating costs, we have used our capital resources to make certain payments to our advisor and our affiliated property manager.

Our advisory agreement provides for the payment of an asset management fee and reimbursement of expenses to our advisor for costs incurred by our advisor in providing certain services to us. However, we have not paid asset management fees to our advisor since the first quarter of 2017. Our advisor waived asset management fees for the second and third quarters of 2017 and deferred payment of asset management fees related to the periods from October 2017 through September 2022. In connection with the board of directors' review of the Plan of Liquidation, our advisor waived $3.0 million of accrued asset management fees as well as payment of its asset management fees from October 1, 2022 through our liquidation. In March 2024, our advisor waived the remaining $5.9 million of deferred asset management fees and as a result, no asset management fees were owed to our advisor as of March 31, 2024.

We also paid fees to KBS Management Group, LLC (the "Co-Manager"), an affiliate of our advisor, pursuant to property management agreements with the Co-Manager, for certain property management services at our properties. The Co-Manager waived payment of its property management fees effective October 1, 2022 through our liquidation.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

We elected to be taxed as a REIT and to operate as a REIT beginning with our taxable year ended December 31, 2015. To maintain our qualification as a REIT, we will be required to make aggregate annual distributions to our stockholders of at least 90% of our REIT taxable income (computed without regard to the dividends-paid deduction and excluding net capital gain). Our board of directors may authorize distributions in excess of those required for us to maintain REIT status depending on our financial condition and such other factors as our board of directors deems relevant.

Subject to successful completion of the sale of our remaining property, we intend to make a final liquidating distribution to our stockholders promptly upon payment of all liabilities and establishment of any reserve. We can provide no assurances as to the ultimate timing of our final liquidating distribution and complete liquidation and dissolution of our company; however, we anticipate paying our final liquidating distribution and dissolving within 60 days of completion of the sale of our final property which is expected to occur during the second quarter of 2024. However, the completion of these activities may be delayed due to the ongoing challenges affecting the U.S. commercial real estate industry, especially as it pertains to commercial office buildings, including the continued economic slowdown, high interest rates and persistent inflation, as well as a lack of lending activity in the debt markets which may impact the ability of buyers for our properties to obtain favorable financing, potential changes in customer behavior with respect to work-from-home arrangements resulting from the COVID-19 pandemic that could materially and adversely affect the demand for office space, and any continuing unrest in the markets where our properties are located. A final liquidating distribution to our stockholders will not be paid until all of our liabilities have been satisfied.

Our expectations about the amount of liquidating distributions that we will pay and when we will pay them are based on many estimates and assumptions, one or more of which may prove to be incorrect. As a result, the actual amount of liquidating distributions we pay to our stockholders may be more or less than we estimate and the liquidating distributions may be paid later than we predict. We do not expect to pay regular monthly distributions during the liquidation process. We intend to maintain adequate cash reserves for liquidity, capital expenditures, debt repayments and other future capital needs.

Under our charter, we are required to limit our total operating expenses to the greater of 2% of our average invested assets or 25% of our net income for the four most recently completed fiscal quarters, as these terms are defined in our charter, unless the conflicts committee has determined that such excess expenses were justified based on unusual and non-recurring factors. Operating expenses for the four fiscal quarters ended March 31, 2024 did not exceed the charter-imposed limitation.

Debt Obligations

The following is a summary of our contractual obligations as of March 31, 2024 (in thousands).

		Payments Due During the Years Ending December 31,		
Debt Obligations	**Total**	**Remainder of 2024**	**2025-2026**	**2027-2028**
Outstanding debt obligations [(1)]	$ 36,035	$ 36,035	$ —	$ —
Interest payments on outstanding debt obligations [(2)]	305	305	—	—

(1) Amounts include principal payments only based on maturity date as of March 31, 2024, which was May 9, 2024. Subsequent to March 31, 2024, the maturity date of our only remaining debt obligation was extended to May 31, 2024.

(2) Projected interest payments are based on the outstanding principal amount, maturity date and contractual interest rate in effect as of March 31, 2024. During the three months ended March 31, 2024, we incurred interest expense of $0.9 million.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Results of Operations

In light of the adoption of liquidation basis accounting as of April 1, 2023 and our liquidation pursuant to the Plan of Liquidation, the results of operations for the current year period are not comparable to the prior year period. The sale of assets under the Plan of Liquidation will have a significant impact on our operations. See "— Plan of Liquidation" and "— Market Outlook — Real Estate and Real Estate Finance Markets."

Distributions

In accordance with the Plan of Liquidation, our objectives are to pursue an orderly liquidation of our company by selling or otherwise disposing of our remaining asset, paying or otherwise settling our debts and our known liabilities, providing for the payment of unknown or contingent liabilities, distributing the net proceeds from liquidation to our stockholders and winding up our operations and dissolving our company. Subject to successful completion of the sale of our remaining property, we intend to make a final liquidating distribution to our stockholders promptly upon payment of all liabilities and establishment of any reserve. For the reasons discussed in this report, we can provide no assurances as to the ultimate timing of our final liquidating distribution and complete liquidation and dissolution of our company; however, we anticipate paying our final liquidating distribution and dissolving within 60 days of completion of the sale of our final property which is expected to occur during the second quarter of 2024. However, if we cannot sell or otherwise dispose of our remaining real estate property and pay our debts within 24 months from May 9, 2023, or if the board of directors and the Special Committee determine that it is otherwise advisable to do so, we may transfer and assign our remaining assets to a liquidating trust. Upon such transfer and assignment, our stockholders would receive beneficial interests in the liquidating trust.

Critical Accounting Policies and Estimates

Our consolidated interim financial statements and condensed notes thereto have been prepared in accordance with GAAP and in conjunction with the rules and regulations of the SEC. The preparation of our financial statements requires significant management judgments, assumptions and estimates about matters that are inherently uncertain. These judgments affect the reported amounts of assets and liabilities and our disclosure of contingent assets and liabilities as of the dates of the financial statements. With different estimates or assumptions, materially different amounts could be reported in our financial statements. A discussion of the accounting policies that management considers critical in that they involve significant management judgments, assumptions and estimates is included in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC. There have been no significant changes to our policies during 2024.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Subsequent Events

We evaluate subsequent events up until the date the consolidated financial statements are issued.

Purchase and Sale Agreement for Sale of The Offices at Greenhouse

On November 14, 2016, we, through an indirect wholly owned subsidiary (the "Owner"), acquired a five-story Class A office building containing 203,284 rentable square feet located on approximately 4.6 acres of land in Houston Texas ("The Offices at Greenhouse").

The Owner entered into a purchase and sale agreement and escrow instructions (the "Sale Agreement") for the sale of The Offices at Greenhouse to Red River Asset Management, LLC (the "Purchaser") which became binding on us upon execution of the Discounted Payoff Agreement (as described below). The Purchaser is unaffiliated with us or our advisor. Pursuant to the Sale Agreement, the sale price for The Offices at Greenhouse is $18.3 million, subject to prorations and closing credits as provided in the Sale Agreement.

The closing is expected to occur no later than May 17, 2024. There can be no assurance that we will complete the sale of The Offices at Greenhouse. The Purchaser would be obligated to purchase The Offices at Greenhouse only after satisfaction of agreed upon closing conditions. In some circumstances, if the Purchaser fails to complete the acquisition, it may forfeit up to $0.8 million.

Discounted Payoff Agreement for the Modified Term Loan

In connection with the execution of the Sale Agreement, the Owner, as borrower under the Modified Term Loan, which is secured by The Offices at Greenhouse, entered into a discounted payoff agreement with JP Morgan Chase Bank, N.A. (the "Lender"), effective as of April 11, 2024 (the "Discounted Payoff Agreement"). Pursuant to the Discounted Payoff Agreement, the Owner has the option to pay off the Modified Term Loan in full and complete satisfaction of all obligations of the Owner and KBS GI REIT Properties, the guarantor under the Modified Term Loan, at a discount by paying to the Lender an amount equal to the net sales proceeds generated by the sale of The Offices at Greenhouse, plus any cash and deposit amounts currently held by the Owner and KBS GI REIT Properties pursuant to certain terms and conditions as described in the Discounted Payoff Agreement.

Modified Term Loan

On April 11, 2024, the Owner entered into a fourth modification agreement with the Lender to extend the maturity date of the Modified Term Loan to May 31, 2024 (the "Fourth Modification Agreement"). If The Offices at Greenhouse sale fails to close by May 31, 2024, the Discounted Payoff Agreement will terminate and all amounts outstanding and due to the Lender of $36.0 million would remain outstanding.

PART I. FINANCIAL INFORMATION (CONTINUED)

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We currently have $36.0 million in debt outstanding, all of which is variable rate and is related to borrowings used to maintain liquidity and to fund the financing and refinancing of our real estate investment portfolio and operations. We are exposed to the effects of interest rate changes as a result of these borrowings. Our profitability and the value of our real estate investment portfolio may be adversely affected during any period as a result of interest rate changes. Our interest rate risk management objectives have been to limit the impact of interest rate changes on earnings, prepayment penalties and cash flows and to lower overall borrowing costs with a variety of financial instruments, including interest rate caps, floors and swap agreements in order to limit the effects of changes in interest rates on our operations. As of November 1, 2022, our remaining interest rate swap had expired. Given our stockholders' approval of the Plan of Liquidation as well as the maturity dates for a significant portion of our outstanding debt, we have not entered into any additional derivative instruments to hedge our exposure to cash flow variability caused by changing interest rates.

All of our outstanding debt is variable rate. Movements in interest rates on variable rate debt change future earnings and cash flows, but do not significantly affect the fair value of the debt. However, changes in required risk premiums will result in changes in the fair value of variable rate instruments. At March 31, 2024, we were exposed to market risks related to fluctuations in interest rates on $36.0 million of variable rate debt outstanding. Based on interest rates as of March 31, 2024, if interest rates were 100 basis points higher or lower during the 12 months ending March 31, 2025, interest expense on our variable rate debt would increase or decrease by $0.4 million.

The interest rate of our variable rate debt at March 31, 2024 was 7.9%. The interest rate represents the actual interest rate in effect at March 31, 2024, using interest rate indices as of March 31, 2024.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

As of the end of the period covered by this report, management, including our principal executive officer and principal financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures. Based upon, and as of the date of, the evaluation, our principal executive officer and principal financial officer concluded that the disclosure controls and procedures were effective as of the end of the period covered by this report to ensure that information required to be disclosed in the reports we file and submit under the Exchange Act is recorded, processed, summarized and reported as and when required. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file and submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

Not applicable.

Item 2. Unregistered Sales of Equity and Use of Proceeds

a). During the period covered by this Form 10-Q, we did not sell any equity securities that were not registered under the Securities Act of 1933.

b). Not applicable.

c). On December 15, 2022, in connection with the board of directors' approval of the Plan of Liquidation, our board of directors approved the termination of our share redemption program effective December 30, 2022. We did not redeem or repurchase any shares of our common stock during the three months ended March 31, 2024.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

PART II. OTHER INFORMATION (CONTINUED)

Item 6. Exhibits

Ex.	Description
2.1	Plan of Complete Liquidation and Dissolution of the Company, incorporated by reference to Exhibit 2.1 to the Company's Quarterly Report on Form 10-Q filed August 11, 2023
3.1	Second Articles of Amendment and Restatement, incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-11 filed October 16, 2015
3.2	Second Amended and Restated Bylaws, incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-11 filed October 16, 2015
3.3	Articles Supplementary for Class T Shares, incorporated by reference to Exhibit 3.3 to the Company's Registration Statement on Form S-11 filed April 20, 2016
4.1	Statement regarding restrictions in transferability of shares of common stock issued in a private offering (to be sent upon request and without charge to stockholders), incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, filed November 9, 2017
4.2	Statement regarding restrictions on transferability of shares of common stock issued in a public offering (to be sent upon request and without charge to stockholders), incorporated by reference to Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, filed November 9, 2017
4.3	Multiple Class Plan, effective as of April 11, 2016, incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form S-11 filed April 20, 2016
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KBS GROWTH & INCOME REIT, INC.

Date: May 9, 2024	By:	/S/ CHARLES J. SCHREIBER, JR.
		Charles J. Schreiber, Jr.
		Chairman of the Board, *Chief Executive Officer, President and Director*
		(principal executive officer)
Date: May 9, 2024	By:	/S/ JEFFREY K. WALDVOGEL
		Jeffrey K. Waldvogel
		Chief Financial Officer, Treasurer and Secretary
		(principal financial officer)

Exhibit 31.1

Certification of Chief Executive Officer pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Charles J. Schreiber, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of KBS Growth & Income REIT, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2024

By: /S/ CHARLES J. SCHREIBER, JR.

Charles J. Schreiber, Jr.

Chairman of the Board,
Chief Executive Officer, President and Director

(principal executive officer)

Exhibit 31.2

Certification of Chief Financial Officer pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Jeffrey K. Waldvogel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of KBS Growth & Income REIT, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2024

By: /S/ JEFFREY K. WALDVOGEL

Jeffrey K. Waldvogel

Chief Financial Officer, Treasurer and Secretary

(principal financial officer)

Exhibit 32.1

Certification pursuant to 18 U.S.C. Section 1350,
as Adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of KBS Growth & Income REIT, Inc. (the "Registrant") for the quarter ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Charles J. Schreiber Jr., Chief Executive Officer, President and Director of the Registrant, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge and belief:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: May 9, 2024

By: /S/ CHARLES J. SCHREIBER, JR.

Charles J. Schreiber, Jr.

Chairman of the Board,
Chief Executive Officer, President and Director
(principal executive officer)

Exhibit 32.2

Certification pursuant to 18 U.S.C. Section 1350,
as Adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of KBS Growth & Income REIT, Inc. (the “Registrant”) for the quarter ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, Jeffrey K. Waldvogel, the Chief Financial Officer, Treasurer and Secretary of the Registrant, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge and belief:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: May 9, 2024

By: /S/ JEFFREY K. WALDVOGEL

Jeffrey K. Waldvogel
Chief Financial Officer, Treasurer and Secretary
(principal financial officer)