KBS | REIT III

515 Congress
Austin, TX

Portfolio Snapshot

Q1 2025

Message from the Chairman

Dear Stockholders,

We are happy to provide you with an updated snapshot of the KBS Real Estate Investment Trust III, Inc. portfolio.

In managing the portfolio, we continue to navigate the challenges presented in the commercial real estate market, especially the office market in which we are significantly invested.

High interest rates, slow return to the office, tight debt markets, inflation and global uncertainty have all contributed to these challenges. We continue to work through these challenges, with the goal of providing stability in the portfolio.

Your patience is sincerely appreciated, as we navigate through these challenging times. Should you have any questions regarding the snapshot or the portfolio, please contact our Investor Relations department at 866-527-4264.

Sincerely,

Marc

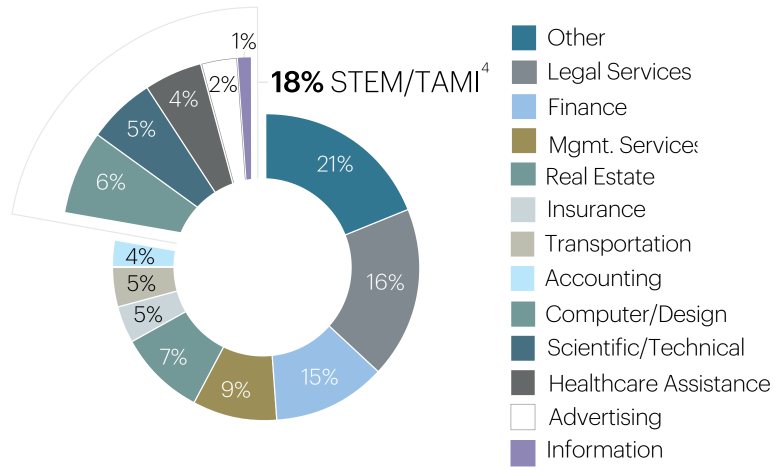
"We continue to work through these challenges, with the goal of providing stability in the portfolio."

Marc DeLuca
Chairman of the Board

Current Portfolio of Properties

	Property	Metro City	Sq. Ft.	Bldg. Class	Classification	Lease %[1] as of 12/31/24	Lease %[1] as of 3/31/25
	WEST						
1	Gateway Tech Center	Salt Lake City	210,938	A	CBD	95%	95%
2	Ten Almaden	San Jose	309,255	A	CBD	52%	52%
3	The Almaden	San Jose	416,126	A	CBD	78%	78%
4	Towers at Emeryville	Oakland	593,484	A	Urban	58%	55%
	CENTRAL						
5	Accenture Tower	Chicago	1,457,724	A	CBD	94%	91%
6	Legacy Town Center	Dallas	522,043	A	Urban	71%	79%
7	$ Sterling Plaza[2]	Dallas	313,609	A	Urban	98%	96%
8	60 South Sixth	Minneapolis	710,332	A	CBD	73%	75%
9	515 Congress	Austin	267,956	A	CBD	80%	80%
10	Park Place Village	Kansas City	484,980	A	Suburban	98%	98%
	EAST						
11	Carillon	Charlotte	488,277	A	CBD	85%	86%
12	201 17th Street	Atlanta	355,870	A	Urban	88%	88%
13	3001 Washington	Washington, D.C.	94,836	A	Urban	100%	100%
14	3003 Washington	Washington, D.C.	211,054	A	Urban	91%	93%
		Total Square Feet	**6,436,484**	**Portfolio Occupancy**		**82%**	**82%**

Breakdown of Portfolio by Tenant Diversification



Investment in Prime US REIT[3]

Units Owned	Percentage Interest Owned	Current Value at Closing
237,426,088	18.2%	$35.4 Million

Accenture Tower
Chicago, IL

[1] *Values reflect actual lease percentages by property.*
[2] *Sterling Plaza was sold on July 11, 2025. Proceeds from the sale will be used to reduce debt, and for tenant improvements.*
[3] *As of March 31, 2025.*
[4] *STEM stands for science, technology, engineering, and math and TAMI stands for technology, advertising, media, and information.*

Leasing Activity

Our leasing activity throughout 2024 and through this year remains strong, despite the leasing challenges in the office sector of commercial real estate. While portfolio occupancy is down slightly from December 31, 2023, to December 31, 2024 (83% vs. 81%), we are seeing an increase in leasing activity in certain markets which has been encouraging. The table below provides a summary of leases signed during 2024 in the portfolio and includes the Weighted Average Lease Term (WALT).

Leasing Totals

Lease Type	Total Gross Leasable Area	WALT
Total New/Expansion	349, 808 SF	6.23
Total Renewals	342,051 SF	4.70
Total Leases	**6,436,484 SF**	**5.47**

Largest New Lease[1]

Sterling Plaza
Dallas, TX

Lease Size 10,577 SF
Term (Mo.) 89

Largest Renewal[1]

The Almaden
San Jose, CA

Lease Size 12,206 SF
Term (Mo.) 67

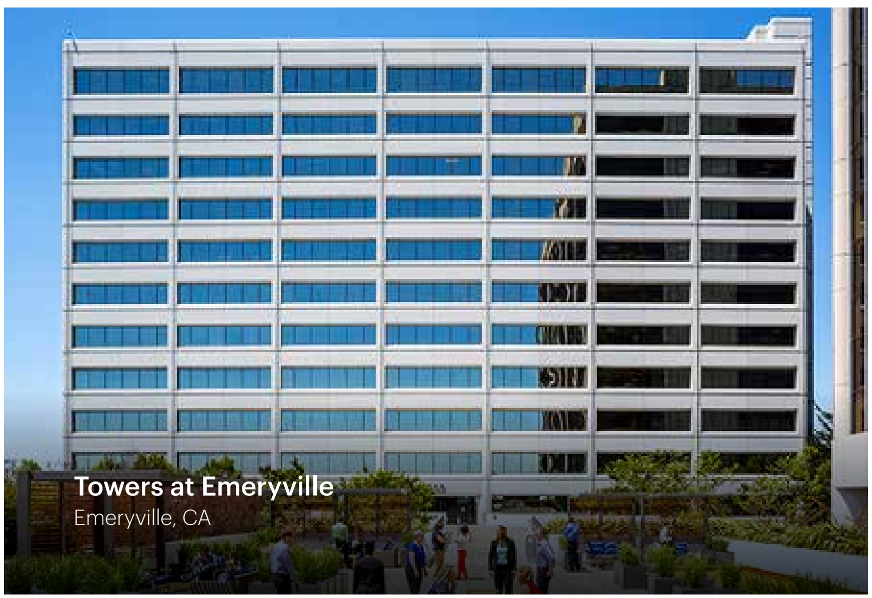
[1] *Leasing activity as of March 31, 2025*

Market Leasing Challenges

San Francisco Bay Area

The Bay Area markets continue to face severe leasing challenges due to the slower-than expected return-to-office and ongoing crime and homelessness in the Bay Area. This has led to a reduction in office leasing as tech companies have been scaling down their occupancy and, in many cases, relocating to other states. As a result, leased percentages of our buildings located in the Bay Area have been impacted, as shown in the leasing comparison table below which reflects the decline in the leasing percentage of our Bay Area office buildings located in that region.

Property	Metro City	Lease % as of 3/31/23	Lease % as of 3/31/24	Lease % as of 3/31/25
Towers at Emeryville	Oakland	70%	60%	55%
Ten Almaden	San Jose	58%	55%	52%
The Almaden	San Jose	86%	85%	78%



Towers at Emeryville
Emeryville, CA

The Almaden
San Jose, CA

Market Leasing Challenges (Continue)

Minneapolis, MN

Downtown Minneapolis continues to struggle due to a lack of return-to-office for many large employers (Target HQ, US Bank HQ, Thrivent HQ, Ameriprise HQ, Wells Fargo, as well as some of the larger law firms in the area) that occupy a majority of the central business district (CBD) whose workforce has not yet returned to the office in a meaningful way.

60th South Sixth Street

- In late 2022, large tenants at 60 South Sixth, RBC Wealth Management leasing 280,000sf and Pohland family offices leasing 43,000sf, left for a new build-to-suit construction.

- We were fortunate to secure a new lease with Fredrikson & Byron, spanning 160,000 square feet, which helped fill roughly half of the vacant space left by RBC and Pohlad. The lease commenced in June 2023, marking a positive development for our occupancy.

- While we made significant progress with the Fredrikson lease and a handful of others, the building which was 75% leased as of 3/2023, is now 88% leased as of 3/31/25, still leaving additional leasing to do in a submarket that is similar to the San Francisco Bay Area markets where challenges remain from a leasing perspective.

Property	Metro City	Lease % as of 3/31/23	Lease % as of 3/31/24	Lease % as of 3/31/25
60 South Sixth	Minneapolis	74%	75%	88%

60 South Sixth
Minneapolis, MN

Market Leasing Successes

Sterling Plaza, Dallas, TX

The asset which was recently sold on July 11, 2025, had completed a multimillion-dollar amenity expansion project, which included the addition of a tenant lounge, conference center, breakout areas, and the expansion and renovation of the fitness center. This upgrade led to a significant improvement in leasing rates, reaching 96% as of March 31, 2025.

The rental rates have also experienced a substantial rise, with rates now reaching as high as $36/sf NNN, compared to approximately $30/sf NNN in 2021.

- This success builds upon the achievements observed at the nearby former KBS REIT III property Preston Commons, which underwent a similar remodel and amenity expansion project in 2021, helping occupancy increase to 96% before it was sold in November 2024.

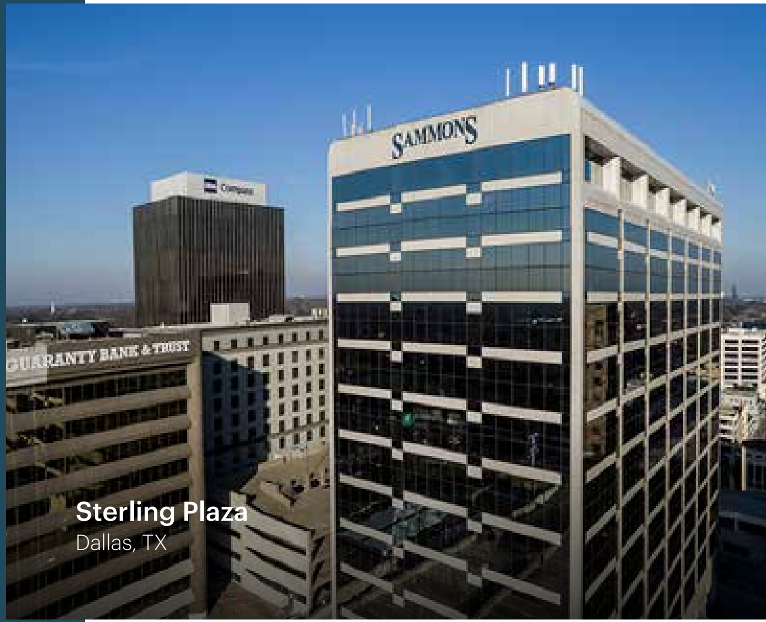
Gateway Tech Center, Salt Lake City, UT

The asset has maintained 100% occupancy since 2022, although this required active leasing efforts.

- In the past year, we completed three early terminations with existing tenants to accommodate the expansion needs of other tenants within the project.

- Additionally, we successfully secured significant lease renewals, including a 10-year extension with a regional CPA firm for approximately 20,000 square feet, at a 25% increase from their previous rental rate.

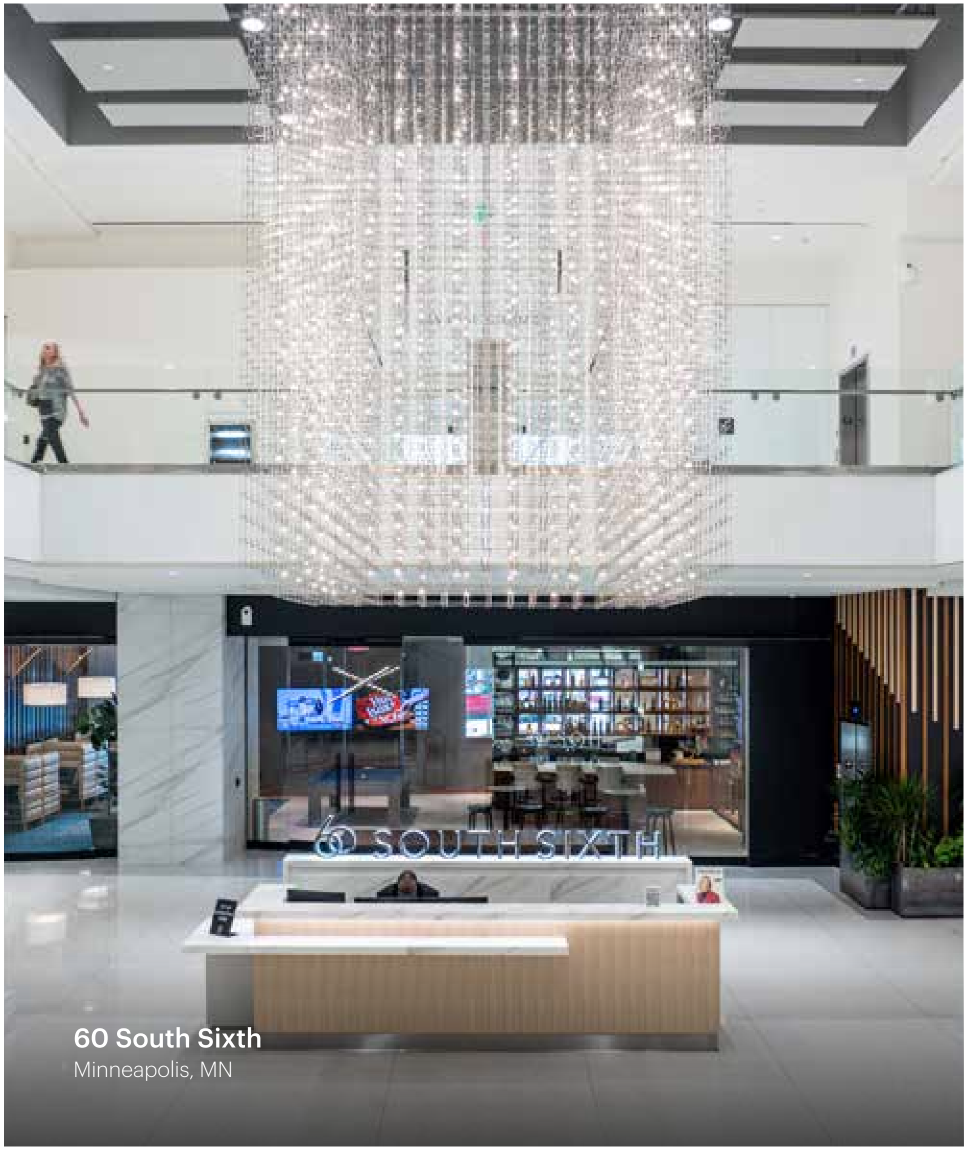
- While maintaining full occupancy, we have also managed to raise achieved rents from $32/sf to $35/sf. We anticipate the project to remain fully leased in the near term due to limited lease expiration and strong demand from existing tenants. This, in turn, positions us to continue pushing rental rates upward for this asset.



Sterling Plaza
Dallas, TX


Gateway Tech Center
Salt Lake City, UT

New Renovation Photos



60 South Sixth
Minneapolis, MN

Lobby, Cafe and Fitness Center

Recently Sold

Sterling Plaza

Location: Dallas, TX

Property Type: Class A Office

Acquisition Date: June 19, 2013

No. of Buildings: 1

No. of Stories: 19

Square Footage: 313,609 SF

Year Built: 1984/2010-2013

Leased Percentage (at the time of Acquisition): 82%

Sale Date: July 11, 2025

Sale Price: $126,500,000

Leased Percentage (at the time of Sale): 96%

IMPORTANT DISCLOSURES

The information contained herein should be read in conjunction with, and is qualified by, the information in KBS Real Estate Investment Trust III's (the "Company", "KBS REIT III", "we" or "our") Annual Report on Form 10-K for the year ended December 31, 2024 (the "Annual Report"), and in the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2025 (the "Quarterly Report"), including the "Risk Factors" contained therein.

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 harbor 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 "could", "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.

TO VIEW KBS REIT III'S FORWARD-LOOKING STATEMENTS AND RISK FACTORS IN THEIR ENTIERATY PLEASE CLICK THIS LINK

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For additional information about the properties in the portfolio, such as property highlights, awards, certifications, and community outreach, please view the appendix included in the following pages.