

December 31, 2021

Dear KBS REIT II Stockholder:

On December 9, 2021, KBS Real Estate Investment Trust II, Inc.'s (the "REIT") board of directors, pursuant to the terms of the REIT's plan of complete liquidation and dissolution (the "Plan of Liquidation"), authorized a fifth liquidating distribution in the amount of \$0.20 per share of common stock to the REIT's stockholders of record as of the close of business on December 9, 2021 (the "Fifth Liquidating Distribution"). The Fifth Liquidating Distribution was funded with proceeds from the December 8, 2021, sale of Willow Oaks Corporate Center and the November 23, 2021, sale of 300 Holger Way. The REIT paid the Fifth Liquidating Distribution on December 14, 2021. On October 5, 2021, a fourth liquidating distribution in the amount of \$0.50 per share of common stock was paid to stockholders of record as of the close of business on October 1, 2021 (the "Fourth Liquidating Distribution"). The Fourth Liquidating Distribution was funded with the proceeds from the sales of Granite Tower and Fountainhead Office Plaza. Total liquidating distributions paid to date amount to \$2.10 per share.

The estimated remaining liquidation proceeds, adjusted for the Fourth and Fifth Liquidating Distributions, as well as the impact of the sale of the real estate assets listed above, coupled with the impact of other liquidation-related assumptions and estimates of value, are approximately \$1.24 per share as of December 15, 2021. For additional information in connection with the estimated remaining liquidation proceeds, please refer to the REIT's Current Report on Form 8-K filed with the Securities and Exchange Commission ("SEC") on December 17, 2021, and the KBS REIT II 10-Q filed on November 5, 2021.

### **Portfolio Activity**

#### **Granite Tower, Denver, Colorado**

On September 3, 2021, the REIT sold Granite Tower for a gross sales price of \$203.5 million before closing credits, third-party closing costs and disposition fees. The net proceeds were approximately \$76.0 million after a debt paydown of \$95.4 million.

#### **Fountainhead Office Plaza, Tempe, Arizona**

On September 20, 2021, the REIT sold Fountainhead Office Plaza for a gross sales price of \$117.5 million before closing credits, third-party closing costs and disposition fees. The net proceeds were approximately \$53.8 million after a debt paydown of \$61.5 million.

#### **300 Holger Way, San Jose, California**

On November 23, 2021, the REIT sold 300 Holger Way for a gross sales price of \$35.0 million before closing credits, third-party closing costs and disposition fees.

#### **Willow Oaks Corporate Center, Fairfax, Virginia**

On December 8, 2021, the REIT sold Willow Oaks Corporate Center for a gross sales price of \$106.0 million before closing credits, tenant improvement and lease incentives and closing costs and disposition fees. The net proceeds were approximately \$18.0 million after a debt paydown of \$83.6 million.

#### **Union Bank Plaza, Los Angeles, California**

The REIT has signed an access agreement and is negotiating a purchase and sales agreement with a potential buyer. The potential buyer is currently working through due diligence and the REIT anticipates closing this sale in the first quarter of 2022.

### **Final Remarks**

After the sale of its final asset, the REIT expects to pay a liquidating distribution to its stockholders using proceeds from the sale. The REIT expects to pay a final liquidating distribution after the REIT pays all of its known liabilities and provides for unknown liabilities. I look forward to providing you with future updates on the REIT's final liquidation.

Sincerely,



Charles J. Schreiber, Jr.  
Chief Executive Officer

## **IMPORTANT DISCLOSURES**

The information contained herein should be read in conjunction with, and is qualified by, the information in KBS Real Estate Investment Trust II's (the "Company" or "KBS REIT II") Annual Report on Form 10-K for the year ended December 31, 2020 (the "Annual Report"), and in the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2021 (the "Quarterly Report"), including the "Risk Factors" contained therein.

### ***Forward-Looking Statements***

Certain statements contained herein may be deemed to be forward-looking statements within the meaning of the Federal Private Securities Litigation Reform Act of 1995. The Company intends that such forward-looking statements be subject to the safe harbors created by Section 21E of the Securities Exchange Act of 1934, as amended. These statements include statements regarding the intent, belief or current expectations of the Company and members of its management team, as well as the assumptions on which such statements are based, and generally are identified by the use of words such as "may," "will," "seeks," "anticipates," "believes," "estimates," "expects," "plans," "intends," "should" or similar expressions. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. The Company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time, unless required by law. Such statements are subject to known and unknown risks and uncertainties which could cause actual results to differ materially from those contemplated by such forward-looking statements. The Company makes no representation or warranty (express or implied) about the accuracy of any such forward-looking statements. These statements are based on a number of assumptions involving the judgment of management. You should interpret many of the risks identified herein and in our Annual Report and Quarterly Reports as being heightened as a result of the ongoing and numerous adverse impacts of the COVID-19 pandemic.

There are many factors that may affect the amount of liquidating distributions ultimately paid to KBS REIT II's stockholders, including the ultimate sale price of KBS REIT II's remaining real estate property and the actual liquidation timing, changes in market demand for office properties, the amount of taxes, fees and expenses relating to the liquidation, and unanticipated or contingent liabilities that could arise. No assurance can be given as to the amount or timing of liquidating distributions.

The COVID-19 pandemic, together with the resulting measures imposed to help control the spread of the virus, has had a negative impact on the economy and business activity globally. The COVID-19 pandemic is negatively impacting almost every industry, including the U.S. office real estate industry and the industries of KBS REIT II's tenants, directly or indirectly. The extent to which the COVID-19 pandemic impacts the Company's operations and those of its tenants and the Company's implementation of the Plan of Liquidation, depends on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures, among others. Given the uncertainty and current business disruptions as a result of the outbreak of COVID-19, the Company's implementation of the Plan of Liquidation may be materially and adversely impacted.

Actual events may cause the value and returns on the Company's remaining real estate property to be less than that used for purposes of the Company's estimated liquidation value per share as of December 15, 2021. For a full description of the methodologies, limitations and assumptions used in the calculation of the estimated liquidation value per share, see the Company's Current Report on Form 8-K filed with the SEC on December 17, 2021, Annual Report and Quarterly Report. As with any valuation methodology, the methodologies used are based upon a number of estimates and assumptions that may not be accurate or complete. Moreover, the Company did not obtain appraisals in connection with the valuations. Even small changes to these assumptions could result in significant differences in the estimated liquidation value per share. The statements herein also depend on factors such as: future economic, competitive and market conditions; the Company's ability to maintain and/or improve occupancy levels and rental rates at its remaining real estate property; the Company's ability to sell its remaining real estate property at the time and at the price it expects; the Company's ability to successfully negotiate modifications, extensions or any needed refinancing of its debt obligations; the Company's ability to successfully implement the Plan of Liquidation; and other risks identified in the Annual Report and the Quarterly Reports.