

Update Discussions with Debenture Holders

Amsterdam, September 24, 2019 – Kardan N.V. ('Kardan' or 'the Company') announces that it has approached the trustees to Debenture Holders series A and B ('the Trustees' and 'the Debenture Holders') to propose that the parties will negotiate new terms of the agreement which entail the conversion of part of the debt into Kardan shares.

In light of the current financial standing of the Company as well as the position of the Debenture Holders regarding the previous settlement terms discussed between the parties, the Company has approached the Trustees to propose that the parties will negotiate new terms of the debt settlement, which will be based on the following principles:

1. A portion of the Company's debt will be converted into the Company's shares in such a way that it is expected that the Debenture Holders will obtain a majority of the outstanding shares in the capital of the Company, after the share issue (subject to the approval of the General Meeting of the Company's shareholders).
2. The amount of the Company's debt that will be converted into the Company's shares will be determined on the basis of a joint analysis of the Company and the Trustees, to ensure that the Company has positive equity and the Company can operate as a going concern and meet its obligations, taking into account future interest payments and expected proceeds when realizing assets in the future.
3. Allocation of the Company's shares to the Debenture Holders will be made pro rata to the Company's total debt to the Debenture Holders (Series A) and (Series B).
4. The percentage of shares to be held by the Debenture Holders shall be determined by the parties within the framework of the negotiations.
5. The Company will continue to realize its assets under the management of the Company's Board of Directors. The new shareholders (i.e. the Debenture Holders) may make use of the right to nominate new board members.
6. The balance payment as agreed between Series A and B will continue to apply with respect to funds received by the Company. This means that the order of payment when realizing assets will be as follows: Payment of debt to Debenture Holders (series B) up to the balance amount, payment of debt to Debenture Holders (series A) up to the balance amount, and then payment of debt to the two series of debentures pro-rata for their debt, all in accordance with the agreements among the two series regarding the balance payments until the repayment of the Company's entire debt to the Debenture Holders.

The Company estimates that carrying out a debt settlement based on the principles outlined above will reduce the risk of loss of the value of the Company's assets, involving the realization of the assets in short term timetables or under insolvency proceedings in the Netherlands and China / Hong Kong, will ensure the Company's compliance with its obligations under the debt settlement, will strengthen the Company's position in future negotiations for the realization of assets, will enable the orderly realization of the assets, and will enable significant savings in the Company's expenses, thereby increasing the amounts that the Debenture Holders will receive.

It should be emphasized that as of the date of the report, the approvals required for the Company to execute the outline of this arrangement have not yet been received. Accordingly, there is no certainty regarding approval and / or execution of a debt settlement based on these principles.

About Kardan

Kardan identifies and develops assets in promising emerging markets, mainly in Asia (predominantly China), Africa and selected CEE and CIS countries. Its activities are mainly focused on two sectors that benefit from the rising middle class: Real Estate and Water Infrastructure. Company headquarters are in the Netherlands. Kardan aims at holding controlling interests in its investments and is actively involved in the definition and implementation of their strategy through its local business platforms. Kardan is listed on Euronext Amsterdam and the Tel Aviv Stock Exchange.

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