

PRESS RELEASE

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THIRD QUARTER AND FIRST 9M OF 2018 RESULTS KARDAN N.V.

Highlights Q3 and 9M 2018:

Following is a summary of net profit (loss) by activity. Management evaluates the performance of main segments by their operational result. Further information that includes detailed segment analysis can be found further in this press release.

Net profit (loss) (In € million)	9M 2018	9M 2017	Q3 2018	Q3 2017
Real Estate (development and investment property)	(11.5)	(9.5)	(4.4)	(4.3)
Water Infrastructure (discontinued operations)	1.8	2.3	0.9	0.1
Other – Avis (discontinued operations)	0.9	2.2	-	0.6
Total Operations	(8.8)	(5.0)	(3.5)	(3.6)
Holding (Corporate Finance and G&A)	(15.2)	(10.8)	(9.4)	7.7
Total attributed to Kardan equity holders	(24.0)	(15.8)	(12.9)	4.1

Kardan N.V.

- Q3 2018: € 12.9 million net loss to equity holders (Q3 2017: net profit of € 4.1 million), including € 3.6 million negative impact as a result of foreign exchange translation differences of the EUR versus the NIS and change in Israeli CPI on the Company's debentures (Q3 2017 € 14.0 positive impact).
- 9M 2018: € 24 million net loss to equity holders (9M 2017: net loss of € 15.8 million), mainly due to heavy finance expenses and including net positive impact of foreign exchange differences and change in the Israeli CPI of € 1.2 million (9M 2017 € 7.7 million positive impact).

Real Estate

- 9M 2018: net loss to equity holders of € 11.5 million (9M 2017: net loss of € 9.5 million), mainly as a result of high interest expenses on the Europark Dalian project construction loan.

Water Infrastructure

- 9M 2018: € 1.8 million net profit (9M 2017: net profit of € 2.3 million) impacted by several one-off expenses. The increase in gross profit is due to improved profitability of several projects.

Other

- Avis Ukraine continued to show good results of € 0.6 million in Q3 2018. However, following a management resolution to sell the investment in Avis Ukraine, the investment is presented as held-for-sale and therefore no equity earnings were recognized in the third quarter.
- The February 2018 scheduled payment of principal and interest to the Company's debenture holders (series A and B) amounting to approximately €110 million were not repaid up to and including today. Negotiations with the debenture holders B are still ongoing. The Company estimates it is close to completing the negotiations with the trustee to debenture holders series B. However, final settlement also depends on reaching consent with debenture holders A with whom negotiations have not yet commenced.

Ariel Hasson, CEO of Kardan NV:

“Our Real Estate activities in China showed progress in selling residential units in the Europark Dalian project. However, due to the construction cycle, a low number of apartments were delivered over the quarter, which impacted the operational results compared to 2017. Furthermore, the continuing high interest payment on the Dalian loan burdens the results of our real estate operations.

After two strong operational quarters, our water infrastructure activities Tahal reported somewhat lower results in Q3, partly due to lower performance of our engineering business in Israel and of projects in CEE. We have continued to expand our backlog with new projects in India and other markets and are working towards the financial closing of some of our large African projects.

Adverse foreign currency movements further negatively impacted the value of our assets and our interest expenses, deteriorating our equity position further.

In the third quarter Kardan has commenced discussions on divesting Avis Ukraine. Therefore, in line with IFRS, this activity is reported as held-for-sale. This intended divestment fits our strategy to divest assets in a manner that will allow us to maximize value and proceeds and to mitigate our negative equity position. The sales process for Tahal is still ongoing, however we do not expect to be able to conclude a sale before the end of the year.

Further to the update provided in October on the negotiations with our debenture holders, we further advanced these and are confident that we are close to completing the negotiations with the trustee to debenture holders series B. The structure of the settlement has been agreed. However it should be noted that final settlement also depends on its approval by both series bondholders (Series A and Series B). Negotiations have not yet commenced with bondholders A. We will keep the markets updated on these negotiations and we look forward to coming to an agreement to allow the company to continue and repay its debt in the interest of all stakeholders.”

Condensed Interim Consolidated Income Statement Kardan N.V.

For the nine and three month periods ended September 30, 2018 (in € million)

	9M - 2018	9M -2017	Q3 - 2018	Q3 2017	12M - 2017
Total revenues	74.1	7.1	5.5	2.8	15.0
Total expenses	79.2	16.3	6.9	5.6	28.0
Loss from operations before fair value adjustments, disposal of assets and financial expenses	(5.1)	(9.2)	(1.4)	(2.8)	(13.0)
Gain (loss) from fair value adjustments and disposal of assets and investments, net	(2.1)	(0.4)	-	(0.4)	(3.3)
Result from operations before finance expenses	(7.2)	(9.6)	(1.4)	(3.2)	(16.3)
Financing income (expenses), net	(19.7)	(19.2)	(11.9)	5.3	(27.5)
Equity earnings, net	1.9	10.2	-	1.8	16.4
Profit (loss) before income tax	(25.0)	(18.6)	(13.3)	3.9	(27.4)
Income tax expenses	1.7	1.7	0.5	0.5	5.2
Profit (loss) from continuing operations	(26.7)	(20.3)	(13.8)	3.4	(32.6)
Profit from discontinued operations	4.9	4.2	1.4	1.2	15.2
Profit (loss) for the period	(21.8)	(16.1)	(12.4)	4.6	(17.4)
Attributable to: Non-controlling interests	2.2	(0.3)	0.5	0.5	(0.3)
Profit (loss) for the period attributable to Kardan equity holder	(24.0)	(15.8)	(12.9)	4.1	(17.1)
Other comprehensive income (expense)	(14.9)	(20.6)	(11.1)	(4.2)	(24.6)
Total comprehensive expense attributable to Kardan equity holders	(38.9)	(36.4)	(24.0)	(0.1)	(41.7)

Overall summarized review of Q3 and 9M 2018 results

Kardan recognized a consolidated net loss attributable to equity holders of € 12.9 million for Q3 2018 (Q3 2017: € 4.1 million net profit), bringing the result for the first 9M of 2018 to a consolidated net loss of € 24 million (9M 2017: € 15.8 million net loss). The loss in the first 9M of 2018 included a positive impact of foreign currency exchange differences, due to the devaluation of the EUR versus the NIS and the impact of the Israeli CPI on the Company's debentures of € 1.2 million (9M 2017: positive impact of € 7.7 million).

Real Estate activities showed an improvement in revenues from the delivery of units in the Europark Dalian project, mainly due to the delivery of building B in the first quarter and additional apartments in building A, totaling revenues of € 69.9 million in 9M 2018 (9M 2017: € 2.8 million). Galleria Dalian rental revenues remained stable in 9M 2018 compared to 9M 2017. Equity earnings from joint venture residential projects however decreased in 9M 2018 compared to 9M 2017 as a result of delivering a lower number of residential units and amounted to € 1.9 million (€ 10.2 million in 9M 2017).

Revenue of our water infrastructure activities increased slightly in the 9M 2018 to € 117.1 million compared to 9M 2017 (€ 116.5 million). The gross profit increased compared to 9M 2017 following increased profitability of several projects. The higher gross profit was partly offset by higher SG&A expenses that included a relatively higher provision for doubtful debts and one-time expenses. In Q3, water infrastructure reported somewhat lower results, partly due to lower performance of our engineering business in Israel and of projects in CEE.

Taking into account the direct equity impact of foreign currency translation differences and changes in the hedge reserves combined with the net result, the total comprehensive expense to Kardan NV's shareholders amounted to € 38.9 million in 9M 2018 compared to a comprehensive expense of € 36.4 million in 9M 2017. The other comprehensive expense was mainly a result of changes in foreign exchange rates.

Equity

Kardan N.V. (company only, in € million)	September 30, 2018	December 31, 2017
Total Assets	358	380
Total Equity (deficit)	(49.8)	(4.4)
Equity/Total assets (%)	(13.9%)	(1.2%)

The shareholders' equity of Kardan N.V. decreased from € 4.4 million negative as of December 31, 2017 to a deficit € 49.8 million as of September 30, 2018, due to the loss in the period and the first implementation of two new accounting standards (IFRS 9 and IFRS 15 –see also note 3 to the interim consolidated financial statements) which was reflected in a retrospective adjustment of € 6.6 million, net to the opening balance of shareholders' equity. Equity was also heavily affected by a foreign exchange negative impact of € 14.4 million, mainly due to the erosion of the Angolan currency against the EUR, with respect to TGI's investment in a subsidiary in Angola, and by the devaluation of the RMB against the EUR with respect to Investment property in China.

Negotiations with debenture holders

The Company is in default since it did not meet its payment obligation to its debenture holders in February 2018. Accordingly, the debenture holders have the right to call the debentures for immediate repayment. The Company is in discussions with the debenture holders. The Company is close to completing the negotiations with the trustee to debenture holders series B. However, final settlement also depends on reaching consent with debenture holders A with whom negotiations have not yet commenced.

Covenants

The Company did not meet the debt coverage ratio financial covenant as defined in the Deeds of Trust for the fourth consecutive quarter. As at September 30, 2018, the Company's subsidiaries met their financial covenants, with the exception of one subsidiary with certain financial covenants attributed to a short-term bank credit line for which a waiver till December 31, 2018 was obtained, subsequent to the balance sheet date.

For additional information regarding covenants see section 12.1 of part A of the Israeli 2017 annual report and section 3 to the significant events and developments report.

Financial position and going concern

In their review report as of September 30, 2018, the auditors draw the attention to the existence of a material uncertainty which may cast significant doubts about the Company's ability to continue as a going concern, due to - among others - the Company's inability to meet the February 2018 payment to the debenture holders. As at the date of this report, the Company is in discussion with the debenture holders (series B) to reschedule the payments. However, there is no certainty as to the results of these discussions. For additional information see section 3 of the Report of the Board of Directors regarding the cash flow forecast and note 2 to the interim consolidated financial statements.

Highlights per activity:

REAL ESTATE

Kardan is active in development and management of Real Estate in China through its 100% subsidiary Kardan Land China Ltd. ('KLC'). In order to better reflect the underlying activities, the Company presents the results of the Real Estate activity as two operational segments: Real Estate - Development and Real Estate - Investment Property. The Real Estate - Investment Property segment only includes the results of operation of the Galleria Dalian shopping mall; the Real Estate - Development segment includes the results of the residential development of the Europark Dalian project as well as the results of residential real estate projects under joint control.

Results

In € millions	For the nine months ended September 30		For the three months ended September 30		For the year ended December 31,
	2018	2017	2018	2017	2017
Real Estate - Development					
Sale of apartments	69.9	2.8	4.0	1.3	9.2
Cost of sales	(66.6)	(2.0)	(2.3)	(0.9)	(8.1)
Gross Profit	3.3	0.8	1.7	0.4	1.1
SG&A expenses	(2.1)	(2.3)	(0.7)	(0.9)	(3.1)
Gain from sale of fixed assets	-	0.8	-	-	0.8
Equity earnings	1.9	10.2	-	1.8	16.4
Operational profit - Real Estate Development segment	3.1	9.5	1.0	1.3	15.2
Real Estate - Investment Property					
Rental revenues	4.2	4.3	1.5	1.5	5.8
Cost of rental revenues	(2.7)	(2.8)	(0.9)	(0.9)	(4.1)
Gross Profit	1.5	1.5	0.6	0.6	1.7
SG&A expenses	(3.2)	(3.9)	(1.4)	(1.3)	(4.9)
Adjustment to fair value (impairment) of investment property	(2.1)	(0.8)	-	-	(4.1)
Operational loss - Real Estate Investment Property segment	(3.8)	(3.2)	(0.8)	(0.7)	(7.3)
Total operational profit (loss) - Real Estate	(0.7)	6.3	0.2	0.6	7.9
Unallocated expense	(1.8)	(2.1)	(0.6)	(0.7)	(2.7)
Profit (loss) before finance expenses and income tax	(2.5)	4.2	(0.4)	(0.1)	5.2
Finance expenses, net	(7.5)	(12.3)	(3.6)	(3.8)	(14.9)
Tax benefits (expenses)	(1.5)	(1.4)	(0.4)	(0.4)	(4.9)
Loss for the period – attributed to Company's shareholders	(11.5)	(9.5)	(4.4)	(4.3)	(14.6)

Additional information - Kardan Land China

	For the nine months ended September 30,		For the three months ended September 30,		For the year ended December 31
	2018	2017	2018	2017	2017
Operational Information					
Revenue Residential - JV (in € million) *	20.8	50.8	5.1	9.3	80.0
Gross profit residential - JV (in € million) *	6.5	16.4	1.3	3.3	25.0
Apartments sold in period (a)	695	992	145	251	1,242
Apartments delivered in period (b)	627	1,057	66	144	1,397
Total apartments sold, not yet delivered (c)	1,750	2,030	1,750	2,030	1,703

- (a) All residential apartments, incl. Dalian (100%).
(b) In 9M 2018 291 apartments were delivered in the Dalian project compared to 18 in 9M 2017.
(c) KLC's share in the estimated gross profit from apartments sold is €34 million as of 30 September 2018.

Units sold in the period	For the nine months ended September 30,		For the three months ended September 30,		For the year ended, December 31
	2018	2017	2018	2017	2017
100% owned					
Europark Dalian	97	72	27	56	124
Joint Venture projects*					
Olympic Garden	277	692	57	45	688
Suzy	230	137	36	137	332
Palm Garden	13	40	-	12	47
City Dream	78	51	25	1	51
	598	920	118	195	1,118
Total	695	992	145	251	1,242

* 100% number presented; KLC holds approx. 50%

Real Estate – Development

The Real Estate Development segment relates to the residential projects of Europark Dalian and the joint venture residential projects.

Revenue from sale of apartments relates to the handover of apartments in the Europark Dalian project. In Q1 2018 building B, which was sold as one unit to a client and serves as an apartment hotel, was delivered. In 9M 2018 a total of 291 units in the Dalian project were delivered (including 29 units from building A), compared to 18 deliveries in 9M 2017. By now all units in building A are sold.

In the third quarter of 2017, KLC commenced the sale of the C2 tower of the Europark Dalian project. In the first 9M 2018 63 apartments in the C2 tower were sold (157 apartments to date). In July 2018 KLC started the sale of the new C1 tower of the Europark Dalian project. In Q3 2018 19 apartments in building C1 were sold (22 apartments to date).

SG&A expenses were at the same level as in 2017, and include the marketing activities of the new C towers in Europark Dalian project.

'Equity earnings', comprises the result of the residential activities from joint venture projects, which contributed a profit of € 1.9 million in 9M 2018 compared with a profit of € 10.2 million in 9M 2017, due to low deliveries of apartments. Revenue from the residential joint venture projects amounted to € 20.8 million in 9M 2018 compared to € 50.8 million in 9M 2017.

The profit from operations of this segment amounted to € 3.1 million in 9M 2018 compared to a profit of € 9.5 million in 9M 2017. The lower result is fully attributable to the lower contribution of the joint venture projects. Since most of the inventory is under construction, only a few apartments were delivered.

Total number of units in inventory increased from 3,181 at December 31, 2017 to 3,295 as at September 30, 2018. The number of unsold units in inventory (including the inventory of joint venture projects) increased to 1,545 as at September 30, 2018 (vs 1,478 as at December 31, 2017). The rate of unsold units for which construction was completed slightly decreased to 9% compared with 10% at 31 December, 2017.

Real Estate – Investment Property

The Real Estate Investment Property segment relates to the results of operation of the Galleria Dalian shopping mall. The result of operations of this segment in 9M 2018 came in at a loss of € 3.8 million (9M 2017 € 3.2 million loss).

Revenues of the Investment Property segment amounted to € 4.2 million in 9M 2018, in line with 9M 2017 (€ 4.3 million). As is reflected by the increase in occupancy level (from 87% at 30 June 2018 to 90.9% as of 30 September 2018), the operational trends at Galleria Dalian are positive. Despite the positive trends, revenues remained stable mainly due to a onetime adjustment of a rental contract in Q1 2018.

The gross margin of the Investment Property segment increased to 36% compared to 34% in 9M 2017.

SG&A showed a slight decrease compared to the corresponding period in 2017, mostly due to savings and a decrease in marketing costs.

The value of the investment property (Galleria Dalian shopping mall) amounts to € 213 million as per 30 September 2018 compared to € 221 million at year-end 2017. The decrease in value was the result of the depreciation of the RMB versus the EUR, in the amount of € 5.7 million in the 9M 2018, and a decrease in the valuation of € 2.1 million as recognized in Q2 2018 (devaluation of € 0.8 million in 9M 2017).

Real Estate - Total

The above resulted in an operational loss of the Real Estate activities of € 0.7 million in 9M 2018 and € 0.2 million profit in Q3 2018 compared to € 6.3 million operational profit for 9M 2017 and € 0.6 million profit in Q3 2017.

Financing expenses, net, amounted to € 7.5 million, compared with € 12.3 million in 9M 2017. The financing expenses mainly include interest expenses related to the Europark Dalian project loan. Financing expenses also included a positive foreign exchange impact of € 0.5 million, compared with a negative foreign exchange impact of € 3.7 million in 9M 2017.

Tax expenses in 9M 2018 amounted to € 1.5 million and mostly related to land value added tax for building B and tax on dividend received from joint ventures (9M 2017 € 1.4 million mostly related to dividend tax expenses).

Net loss in 9M 2018 amounted to € 11.5 million (9M 2017: € 9.5 million loss), and to € 4.4 million in Q3 2018 (Q3 2017: € 4.3 million loss).

Additional balance sheet information - Kardan Land China

	2018	2017
	(30.9)	(31.12)
<i>(in € million)</i>		
Real Estate – Development		
Share of investment in JVs	50.8	56.4
Inventory	60.7	116.4
Advance payments from buyers	31.8	61.2
Real Estate – Investment Property		
Investment Property	213.3	221.1
Cash & short term investments	23.6	37.0
Total Assets	439.2	502.6
Loans and Borrowings	98.3	115.1
Total Equity	254.5	270.1

WATER INFRASTRUCTURE (TGI) - Discontinued operations

Results under 'Profit (loss) from discontinued operations - TGI' relate to Tahal Group International B.V. ('TGI'), Kardan's water infrastructure company.

TGI focuses on executing water related projects worldwide in Africa, Central and Eastern Europe, India and in other regions and other countries, such as Israel.

In € million	For the nine months ended September 30,		For the three months ended September 30,		Full Year
	2018	2017	2018	2017	2017
Contract revenues	117.1	116.5	43.4	42.3	176.4
Contract cost	97.8	100.1	37.2	34.8	152.8
Gross profit	19.3	16.4	6.2	7.5	23.6
SG&A expenses	(12.6)	(10.6)	(3.9)	(3.5)	(12.9)
Equity losses	(0.6)	(0.8)	(0.3)	(0.3)	(1.1)
Gain (loss) on disposal of assets and other income	(0.1)	-	0.4	-	7.8
Result from operations before financing expenses	6.0	5.0	2.4	3.7	17.4
Financing income (expenses), net	(0.9)	0.6	(0.2)	0.3	0.4
Income tax (expenses) benefit	(1.1)	(3.7)	(0.8)	(3.5)	(5.0)
Net Profit	4.0	1.9	1.4	0.5	12.8
Attributable to:					
Non-controlling interest holders	2.2	(0.4)	0.5	0.4	(0.3)
Equity holders (Kardan N.V.)	1.8	2.3	0.9	0.1	13.1

Additional Information Water Infrastructure	2018 (30.9)	2017 (31.12)
<i>Balance sheet (in € million)</i>		
Cash & short term investments	19.1	9.3
Total Assets	216.9	183.4
Net debt	30.7	(13.2)
Equity	42.1	50.9
Equity / Assets	19.4%	27.7%
<i>Other (in USD million)</i>		
Backlog	809.3	672

During 9M 2018 the water infrastructure activities reported a net profit of € 4.0 million, an increase compared to € 1.9 million in the previous year. The net profit attributable to equity holders amounted to € 1.8 million in 9M 2018, compared to a net profit of € 2.3 million in 9M 2017.

Revenues over the first nine months of 2018 increased slightly to € 117.1 million compared to last year 9M 2017: (€ 116.5 million).

The gross margin increased from 14.1% in 9M 2017 to 16.5% in 9M 2018 following improved profitability in a number of projects, despite delays in projects in Africa with high profitability in the third quarter of 2018. The gross margin decreased to 14.3% in Q3 2018 compared to 17.6% in Q3 2017, due to lower performance of our engineering business in Israel and of projects in CEE.

Financing expenses increased to € 0.9 million in 9M 2018 compared to income of € 0.6 million in 9M 2017 mostly due to interest expenses on utilization of credit lines. In 9M 2017 the finance income is a result of a positive impact of foreign exchange differences.

The income tax expenses amounted to € 1.1 million in 9M 2018. In the same period in 2017 tax expenses were € 3.7 million and included a tax provision recognized in Q3 2017 due to a tax assessment in respect of prior years.

Equity of TGI decreased mainly due to negative impact of foreign exchange on TGI's subsidiary in Angola in the 9M 2018 amounting to €14 million.

In February 2018, Tahal India was awarded a project in the city of Bangalore for a total amount of approximately US\$ 28 million (€ 22.8 million). The project consists of the renewal, expansion, upgrading and operation of a water supply network. Furthermore, Tahal was awarded another project in the city of Ivanovo, Russia, which is a continuation of the project executed and successfully completed by Tahal. The project consists of the renovation of a biological facility of waste water treatment.

In May 2018, Tahal was awarded a US\$ 60 million (€ 48.9 million) project for the planning and execution of works for the reconstruction of two waste water and sludge treatment facilities in the city of Kharkiv, the Ukraine.

In August Tahal announced that with its 50% partner it will engage in a US\$ 72 million contract regarding a large scale agriculture project in Africa. The project involves the design and development of a crop-growing farm. Furthermore, in the third quarter, Tahal expanded its presence in India with 3 new projects awarded and signed, for a total of US\$ 46 million.

In total, new orders of US\$ 280.0 million were recorded in the first 9M of 2018, bringing the order backlog to US\$ 809.3 million as per September 30, 2018 (December 31, 2017 US\$ 672.1 million).

It should be noted that in addition, companies in the TGI group have received notices regarding the winning of additional projects in the amount of US\$ 363 million. Upon fulfillment of conditions related mainly to financial closing, signed contracts amounting to US\$ 363 million will be added to the existing backlog.

CORPORATE HOLDING AND OTHER

In € million	For the nine months ended September 30,		For the three months ended September 30,		Full Year
	2018	2017	2018	2017	2017
Corporate expenses:					
General and administration expenses	(2.8)	(3.6)	(1.0)	(1.3)	(5.1)
Financing income (expense), net	(12.2)	(6.9)	(8.3)	9.1	(12.6)
Income tax expenses	(0.2)	(0.3)	(0.1)	(0.1)	(0.3)
	(15.2)	(10.8)	(9.4)	7.7	(18.0)
Other activities:					
Profit from discontinued operation (Avis Ukraine)	0.9	2.2	-	0.6	2.4
	0.9	2.2	-	0.6	2.4

Corporate expenses:

G&A expenses in 9M 2018 decreased to € 2.8 million compared to € 3.6 million in 9M 2017, mainly due to a reversal of expenses due to partial cancellation of a put option.

Financing expenses amounted to €12.2 million in 9M 2018 compared to expenses of only €6.9 million in the corresponding period in 2017. The positive net impact of foreign exchange differences and Israeli CPI on the Company's debentures was € 12.7 million in Q1 2018 following the strengthening of the EUR versus the NIS. In Q2 and Q3 2018 the trend reversed and the EUR started to devalue against the NIS, resulting in a negative impact of foreign exchange differences and the changes in Israeli CPI of € 7.9 million and € 3.6 million respectively. Overall in 9M 2018, the net positive impact of foreign exchange differences and the Israeli CPI on the Company's debentures, which are denominated in NIS, was € 1.2 million (9M 2017: € 7.7 million positive).

The 'Income tax expenses' relates to tax on hedge instruments.

Other activities

Other activities consisted of equity earnings from the Company's holding in Avis Ukraine joint venture, which continued to show good results in the period. Following a management resolution to sell the investment in Avis Ukraine, the investment is presented as held for sale and therefore no equity earnings were recognized in the third quarter.

DISCLAIMER

This press release contains forward-looking statements and information, for example concerning the financial condition, results of operations, businesses and potential exposure to market risks of Kardan N.V. and its group companies (jointly “Kardan Group”). All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements (including “forward looking statements” as defined in the Israeli Securities Law). Forward-looking statements are statements of future expectations that are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. These forward-looking statements are identified by the use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “objectives”, “outlook”, “probably”, “project”, “will”, “seek”, “target”, “risks”, “goals”, “should” and similar terms and phrases. A variety of factors, many of which are beyond Kardan Group’s control, affect our operations, performance, business strategy and results and could cause the actual results, performance or achievements of Kardan Group to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. For Kardan Group, particular uncertainties arise, amongst others but not limited to and not in any order of importance, (i) from dependence on external financing with the risk that insufficient access to capital threatens its capacity to grow, execute its business model, and generate future financial returns (ii) from concentration of its business in Central Eastern Europe and China as a result of which Kardan Group is strongly exposed to these particular markets (iii) from risks related to the financial markets as a result of Kardan N.V.’s listings on Euronext Amsterdam and the Tel Aviv Stock Exchange and (iv) from it being a decentralized organization with a large number of separate entities spread over different geographic areas in emerging markets, so that Kardan Group is exposed to the risk of fraudulent activities or illegal acts perpetrated by managers, employees, customers, suppliers or third parties which expose the organization to fines, sanctions and loss of customers, profits and reputation etc. and may adversely impact Kardan Group’s ability to achieve its objectives and (v) from any of the risk factors specified in Kardan N.V.’s Annual Report and in the related “Periodic Report” (published by Kardan N.V. in Israel) published in April, and which is also available at the Kardan website. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement as expected, anticipated, intended, planned, believed, sought, estimated or projected. Kardan N.V. does not intend or assume any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated.

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. Total assets as of September 30, 2018 amounted to € 636.2 million.

Kardan is listed on Euronext Amsterdam and the Tel Aviv Stock Exchange.

The Directors’ Report including the non-statutory consolidated financial statements, drawn up in line with the Dutch and Israeli regulations, are presented in a separate document and form an integral part of this release.

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