



NOTICE REGARDING CONTROLLING SHAREHOLDER KARDAN

Amsterdam, January 3, 2019 - Kardan N.V. ('Kardan' or 'the Company'), active in Real Estate and Infrastructure in emerging markets hereby announces that the Israeli court has approved the debt settlement of Mr. Grunfeld, one of the Company's controlling shareholders, with his creditors, following the request for bankruptcy filed against him in 2015.

Mr. Grunfeld holds (directly and indirectly, through a company controlled by him) 21,119,927 shares of the Company, representing approximately 17.17% of the Company's share capital and of its voting rights. Mr. Grunfeld is also a Board member of Kardan. According to the information provided to the Company, 11,591,189 shares are pledged to Bank Hapoalim Ltd. ('Bank Hapoalim') and 9,053,738 shares to Bank Leumi le-Israel BM ('Leumi Bank') to secure credit granted to Mr. Grunfeld or anyone on his behalf by the said banks. The other Company's shares held by Grunfeld are pledged to secure Grunfeld's liabilities to three other entities.

In addition, the Company was informed as followed in relation to the Settlement:

- the pledges and proceedings relating to them will remain in force (where each of the said banks will be entitled to realize the pledges registered in its favor and to sell the shares pledged in its favor at its sole discretion).
- Mr. Grunfeld, or anyone acting on his behalf, undertook to purchase from the banks, at the banks' request, up to a total of 2,500,000 Company's shares of the shares pledged to them, for a total of NIS 8 million during a period specified in the Settlement.
- for the purpose of completing the Settlement, the parties to the controlling agreement in the Company, Messrs. Avi Schnur, Eytan Rechter and Joseph Grunfeld and the companies under their control, have signed or are expected to sign a mutual waiver of any mutual limitation between the parties with respect to the sale of pledged shares (if any).
- the completion of the Settlement is expected on January 22, 2019.

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 € 636.3 million.

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

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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",



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“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.

“This press release contains regulated information (gereguleerde informatie) as defined in the Dutch Act on Financial Supervision (Wet op het financieel toezicht)”