

PRESS RELEASE

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SECOND QUARTER AND FIRST HALF 2018 RESULTS KARDAN N.V.
Highlights Q2 and H1 2018:

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

Net profit (loss) (In €million)	H1 2018	H1 2017	Q2 2018	Q2 2017
Real Estate (development and investment property)	(7.1)	(5.2)	(3.9)	(3.3)
Water Infrastructure (discontinued operations)	0.9	2.2	1.2	1.3
Other	0.9	1.4	0.4	0.7
Total Operations	(5.3)	(1.6)	(2.3)	(1.3)
Holding (Corporate Finance and G&A)	(5.8)	(18.3)	(13.1)	(0.8)
Total attributed to the equity holders	(11.1)	(19.9)	(15.4)	(2.1)

Kardan N.V.

- Q2 2018: € 15.4 million net loss to equity holders (Q2 2017: net loss of € 2.1 million), including € 7.9 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 (Q2 2017 € 5.3 positive impact).
- H1 2018: € 11.1 million net loss to equity holders (H1 2017: net loss of € 19.9 million), including net positive impact of foreign exchange differences and change in the Israeli CPI of € 4.8 million (H2 2017 € 6.2 million negative).

Real Estate

- H1 2018: net loss to equity holders of € 7.1 million (H1 2017: net loss of € 5.2 million), mainly as a result of a negative revaluation of investment property, low delivery of residential units in the joint venture projects and high interest expenses on Dalian project construction loan.

Water Infrastructure

- H1 2018: € 0.9 million net profit to equity holders (H1 2017: net profit of € 2.2 million, including tax benefit) impacted by several one-off expenses. The result from operations increased to € 3.6 million in H1 2018 compared to € 1.3 million in H1 2017 following improved profitability of several projects.

Other

- Avis Ukraine continued to show good results and contributed equity earnings of € 0.9 million in H1 2018.
- 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. The negotiations with the debenture holders are still ongoing.

Ariel Hasson, CEO of Kardan NV: "Following a strong second quarter our water infrastructure activities Tahal reported good operational results. In the first half of 2018 Tahal won a number of new projects around the globe, further strengthening its position in the water infrastructure and agricultural sector. Our real estate activities in China, through our subsidiary KLC, was successful in selling and delivering residential units in the Europark Dalian project. The results of KLC were however burdened by an adjustment to fair value of our mall in Dalian and by the high interest expense on the Dalian loan.

In the beginning of this year we commenced negotiations with our debenture holders in order to formulate a new debt settlement. I am pleased to say that, in the past weeks, we have made substantial progress in these discussions. Although there is no certainty of the outcome, we believe that a debt settlement, if implemented, will allow the company the setting to continue and repay its debt in the interest of all stakeholders. In parallel we pursue our efforts to advance the transaction for the sale of Tahal. We will continue to do the utmost to divest assets in a manner that will allow us to maximize value and proceeds and to restore our equity position."

Condensed Interim Consolidated Income Statement Kardan N.V.

For the six and three month periods ended June 30, 2018 (in € million)

	H1 - 2018	H1-2017	Q2 - 2018	Q2 2017	12M - 2017
Total revenues	68.6	4.3	5.5	2.7	15.0
Total expenses	72.3	10.7	7.4	6.1	28.0
Loss from operations before fair value adjustments, disposal of assets and financial expenses	(3.7)	(6.4)	(1.9)	(3.4)	(13.0)
Gain (loss) from fair value adjustments and disposal of assets and investments, net	(2.1)	-	(2.1)	-	(3.3)
Result from operations before finance expenses	(5.8)	(6.4)	(4.0)	(3.4)	(16.3)
Financing income (expenses), net	(7.8)	(24.5)	(14.1)	(4.6)	(27.5)
Equity earnings, net	2.8	10.0	1.1	4.6	18.9
Profit (loss) before income tax	(10.8)	(20.9)	(17.0)	(3.4)	(24.9)
Income tax expenses / (benefit)	1.2	(1.2)	(0.4)	-	5.2
Profit (loss) from continuing operations	(12.0)	(22.1)	(16.6)	(3.4)	(30.1)
Profit from discontinued operations	2.6	1.4	2.4	0.9	12.7
Profit (loss) for the period	(9.4)	(20.7)	(14.2)	(2.5)	(17.4)
Attributable to:					
Non-controlling interests	1.7	(0.8)	1.2	(0.4)	(0.3)
Profit (loss) for the period attributable to Kardan equity holder	(11.1)	(19.9)	(15.4)	(2.1)	(17.1)
Other comprehensive income (expense)	(3.8)	(16.4)	2.3	(14.6)	(24.6)
Total comprehensive expense attributable to Kardan equity holders	(14.9)	(36.3)	(13.1)	(16.7)	(41.7)

Overall summarized review of Q2 and H1 2018 results

Kardan recognized a consolidated net loss attributable to equity holders of € 15.4 million for Q2 2018 (Q2 2017: € 2.1 million net loss), bringing the result for the first half of 2018 to a consolidated net loss of € 11.1 million (H1 2017: € 19.9 million net loss). The lower loss compared to 2017 was the result of significantly decreased financing expenses in H1 2018. This resulted mainly from the net positive impact of foreign currency exchange differences and the impact of the Israeli CPI on the Company's debentures of € 12.7 million in Q1 2018, due to the strengthening of the EUR versus the NIS. This was partly offset by a negative impact in Q2 2018 of € 7.9 million as the EUR devaluated versus the NIS and the Israeli CPI had a negative impact as well. Overall, H1 2018 included a net positive currency and Israeli CPI impact of € 4.8 million (H1 2017: negative impact of € 6.2 million).

The Real Estate activities showed an improvement in revenue from the delivery of units in Europark Dalian project, mainly due to the delivery of building B and additional apartments in building A, totaling € 65.9 million in H1 2018 (H1 2017: € 1.5 million). Galleria Dalian rental revenues remained stable in H1 2018 compare to H1 2017.

Equity earnings from joint venture residential projects decreased substantially in H1 2018 compared to H1 2017 as a result of delivering a lower number of residential units and amounted to € 1.9 million (€ 8.4 million in H1 2017).

Revenue of the water infrastructure activities remained more or less stable in H1 2018 at € 73.7 million compared to H1 2017 (€ 74.2 million). The result from operations before financing expenses increased from € 1.3 million in H1 2017 to € 3.6 million in H1 2018, as a result of a significantly higher gross profit, partly offset by higher SG&A expenses that included a relatively higher provision for doubtful debts and a one-time recognition of tender expenses.

Avis Ukraine continued to show good results and contributed a net profit of € 0.9 million in the first half of 2018.

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 € 14.9 million in H1 2018 compared to a comprehensive expense of € 36.3 million in H1 2017. The other comprehensive expense was mainly a result of changes in foreign exchange rates.

Equity

Kardan N.V. (company only, in € million)	June 30, 2018	December 31, 2017
Total Assets	372	380
Total Equity (deficit)	(25.8)	(4.4)
Equity/Total assets (%)	(6.9%)	(1.2%)

The shareholders' equity of Kardan N.V. decreased from €4.4 million negative as of December 31, 2017 to a deficit €25.8 million as of June 30, 2018, mainly 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 negatively affected by a foreign exchange net impact of €3.4 million, mainly due to the erosion of the Angolan currency against the EUR, with respect to TGI's investment in a subsidiary in Angola, offset by a positive effect of the RMB against the EUR with respect to Investment property in China.

Covenants

The Company's financial covenants as defined in the Deeds of Trust relate to the debt coverage ratio of the Company. A breach of this covenant was defined as non-compliance with the debt coverage ratio for two consecutive quarters. As at June 30, 2018, March 31, 2018 and December 31, 2017 the Company does not meet the debt coverage ratio financial covenant. Accordingly, the debenture holders have the right to call the debentures for immediate repayment. As at the date of this report, the Company is in discussion with the debenture holders to reschedule the payments. As at June 30, 2018, the Company's subsidiaries met their financial covenants. For additional information see section 12.1 of part A of the Israeli 2017 annual report.

Financial position and going concern

In their review report as of June 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 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 six months ended June 30		For the three months ended June 30		For the year ended December 31,
	2018	2017	2018	2017	2017
Real Estate - Development					
Sale of apartments	65.9	1.5	4.1	1.3	9.2
Cost of sales	(64.3)	(1.1)	(3.8)	(1.1)	(8.1)
Gross Profit	1.6	0.4	0.3	0.2	1.1
SG&A expenses	(1.4)	(1.4)	(0.8)	(1.0)	(3.1)
Gain from sale of fixed assets	-	0.8	-	0.8	0.8
Equity earnings	1.9	8.4	0.7	3.9	16.4
Operational profit - Real Estate Development segment	2.1	8.2	0.2	3.9	15.2
Real Estate - Investment Property					
Rental revenues	2.7	2.8	1.4	1.3	5.8
Cost of rental revenues	(1.8)	(1.9)	(0.9)	(0.9)	(4.1)
Gross Profit	0.9	0.9	0.5	0.4	1.7
SG&A expenses	(1.8)	(2.6)	(0.8)	(1.3)	(4.9)
Adjustment to fair value (impairment) of investment property	(2.1)	(0.8)	(2.1)	(0.8)	(4.1)
Operational loss - Real Estate Investment Property segment	(3.0)	(2.5)	(2.4)	(1.7)	(7.3)
Total operational profit (loss) - Real Estate	(0.9)	5.7	(2.2)	2.2	7.9
Unallocated expense	(1.2)	(1.4)	(0.6)	(0.6)	(2.7)
Profit (loss) before finance expenses and income tax	(2.1)	4.3	(2.8)	1.6	5.2
Finance expenses, net	(3.9)	(8.5)	(1.5)	(5.0)	(14.9)
Tax benefits (expenses)	(1.1)	(1.0)	0.4	0.1	(4.9)
Loss for the period – attributed to Company's shareholders	(7.1)	(5.2)	(3.9)	(3.3)	(14.6)

Additional information - Kardan Land China

	For the six months ended June 30,		For the three months ended June 30,		For the year ended December 31
	2018	2017	2018	2017	2017
Operational Information					
Revenue Residential - JV (in € million) *	15.7	41.5	10.6	13.8	80.0
Gross profit residential - JV (in € million) *	5.2	13.1	4.0	4.9	25.0
Apartments sold in period (a)	554	741	307	286	1,242
Apartments delivered in period (b)	561	913	248	297	1,397
Total apartments sold, not yet delivered (c)	1,680	1,906	1,680	1,906	1,703

(a) All residential apartments, incl. Dalian (100%).

(b) In H1 2018 285 apartments were delivered in the Dalian project compared to 6 in H1 2017.

(c) KLC's share in the estimated gross profit from apartments sold is €24 million as of 30 June 2018.

Units sold in the period	For the six months ended June 30,		For the three months ended June 30,		For the year ended, December 31
	2018	2017	2018	2017	2017
100% owned					
Europark Dalian	74	16	52	4	124
Joint Venture projects*					
Olympic Garden	220	647	93	260	688
Suzy	194	-	103	-	332
Palm Garden	13	28	6	12	47
City Dream	53	50	53	10	51
	480	725	255	282	1,118
Total	554	741	307	286	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. The result from operations of this segment decreased to a profit of € 2.1 million in H1 2018 compared with a profit of € 8.2 million in H1 2017, mainly as a result of a lower contribution of the joint ventures (recognized as equity earnings), due to the delivery of only a small number of apartments, since as of reporting date, most of the inventory is under construction.

Revenue from sale of apartments relates to the handover of apartments in the Europark Dalian project. During H1 2018 building B, which was sold as one unit to a client and serves as an apartment hotel, was delivered, as well as 23 units in building A, compared to 6 deliveries in H1 2017. As of June 30, 2018 only 2 unsold units remain in building A.

In the second half of 2017, KLC commenced the sale of the C2 tower of the Europark Dalian project. In H1 2018 57 apartments in the C2 tower were sold (151 apartments to date). In July 2018 KLC started the sale of the new C1 tower of the Europark Dalian project. In July 2018 13 apartments in building C1 were sold.

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 H1 2018 compared with a profit of € 8.4 million in H1 2017, as a result of a decrease in revenues from delivery of apartments. Revenue from the residential joint venture projects amounted to € 15.7 million in H1 2018 compared to € 41.5 million in H1 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 H1 2018 amounted to a loss of € 3.0 million (H1 2017 € 2.5 million).

Revenues of the Investment Property segment amounted to € 2.7 million in H1 2018, in line with H1 2017 (€ 2.8 million). The positive trend in increasing footfall and occupancy continues. The occupancy level rose to approximately 87% as of June 30 2018 (31 December 2017: 81%). Despite the positive trends, revenues remain stable mainly due to a onetime adjustment of a rental contract in Q1 2018.

The gross profit of the Investment Property segment slightly increased to 33% compared to 32% in H1 2017.

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

The value of the investment property (which fully relates to Galleria Dalian shopping mall) increased slightly as per 30 June 2018 compared to year-end 2017. This was the result of the appreciation of the RMB versus the EUR, partly offset by a decrease in the valuation of € 2.1 million (decrease of € 0.8 million in H1 2107).

Real Estate - Total

The above resulted in an operational loss of the Real Estate activities of €0.9 million in H1 2018 and €2.2 million loss in Q2 2018 compared to €5.7 million operational profit for H1 2017 and €2.1 million profit in Q2 2017.

'Financing expenses, net, amounted to €3.9 million, compared with €8.5 million in H1 2017. The financing expenses mainly include interest expenses related to the Europark Dalian project loan. Financing expenses also included a positive impact of €1.6 million due to the appreciation of the RMB and the USD versus the EUR, compared with a negative foreign exchange impact of €2.7 million in H1 2017.

Tax expenses in H1 2018 amounted to €1.1 million and mostly related to land value added tax for building B (H1 2017 €1.0 million mostly related to tax expenses in respect of a dividend received by KLC).

Net loss in H1 2018 amounted to €7.1 million (H1 2017: €5.2 million loss), and to €3.9 million in Q2 2018 (Q2 2017: €3.3 million loss).

Additional balance sheet information - Kardan Land China

	2018	2017
	(30.6)	(31.12)
<i>(in € million)</i>		
Real Estate – Development		
Share of investment in JVs	55.4	56.4
Inventory	61.8	116.4
Advance payments from buyers	27.2	61.2
Real Estate – Investment Property		
Investment Property	223.4	221.1
Cash & short term investments	59.1	37.0
Total Assets	471.0	502.6
Loans and Borrowings	118.9	115.1
Total Equity	267.2	270.1

Inventory

Total number of units in the inventory decreased from 3,412 at December 31, 2017 to 2,953 as at June 30, 2018 mostly due to the delivery of building B and of apartments in the Olympic Garden JV project. The number of unsold units in inventory (including the inventory of joint venture projects) decreased to 1,273 as at June 30, 2018 (vs 1,478 as of December 31, 2017). The rate of unsold units for which construction was completed slightly increased to 10% compared with 9% at 31 December, 2017.

'Loans and borrowings', predominantly relate to the use of a construction loan for Europark Dalian, for an amount of €116.4 million as at 30 June, 2018.

The decrease in equity in the reporting period is attributable to the loss for the period.

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 six months ended June 30,		For the three months ended June 30,		Full Year
	2018	2017	2018	2017	2017
Contract revenues	73.7	74.2	42.1	43.1	176.4
Contract cost	60.6	65.3	34.4	38.3	152.8
Gross profit	13.1	8.9	7.7	4.8	23.6
SG&A expenses	8.7	7.1	4.0	3.7	12.9
Equity losses	(0.3)	(0.5)	(0.2)	(0.2)	(1.1)
Gain on disposal of assets and other income (expenses)	(0.5)	-	(0.5)	-	7.8
Result from operations before financing expenses	3.6	1.3	3.0	0.9	17.4
Financing income (expenses), net	(0.7)	0.3	(0.2)	0.5	0.4
Income tax (expenses) benefit	(0.3)	(0.2)	(0.4)	(0.5)	(5.0)
Net Profit from continuing operations	2.6	1.4	2.4	0.9	12.8
Attributable to:					
Non-controlling interest holders	1.7	(0.8)	1.2	(0.4)	(0.3)
Equity holders (Kardan N.V.)	0.9	2.2	1.2	1.3	13.1

Additional Information Water Infrastructure	2018 (30.6)	2017 (31.12)
<i>Balance sheet (in € million)</i>		
Cash & short term investments	21.6	9.3
Total Assets	197.2	183.4
Net debt	(17.0)	(13.2)
Equity	44.4	50.9
Equity / Assets	22.5%	27.7%
<i>Other (in USD million)</i>		
Backlog	802	672

During H1 2018 the water infrastructure activities contributed a net profit of €0.9 million, compared to a net profit of €2.2 million in H1 2017. The profit for the period included a relatively higher provision for doubtful debts and a one-time recognition of €0.7 million tender expenses.

Revenue remained stable in H1 2018 at €73.7 million compared to H1 2017 (€74.2 million).

The gross margin increased from 12.0% in H1 2017 (11.1% in Q2 2017) to 17.8% in H1 2018 (18.3% in Q2 2018) following improved profitability in a number of projects.

Financing expenses amounted to €0.7 million in H1 2018 compared to income of €0.3 million in H1 2017 mostly due to interest expenses on utilization of credit lines. In H1 2017 the finance income is a result of a positive impact of foreign exchange differences.

The income tax expenses of €0.3 million in H1 2018 remain at similar level compared to H1 2017 (€0.2 million).

Equity of TGI decreased mainly due to negative impact of foreign exchange on TGI's subsidiary in Angola in Q1 2018.

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 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 total, new orders of US\$ 223.4 million were recorded in the first half of 2018, bringing the order backlog to US\$ 802.1 million as per June 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 six months ended June 30,		For the three months ended June 30,		Full Year
	2018	2017	2018	2017	2017
Corporate expenses:					
General and administration expenses	(1.7)	(2.1)	(0.4)	(1.1)	(4.4)
Financing income (expense), net	(4.0)	(16.0)	(12.7)	0.4	(12.6)
Income tax expenses	(0.1)	(0.2)	-	(0.1)	(0.3)
	(5.8)	(18.3)	(13.1)	(0.8)	(17.3)
Other activities:					
Financing income (expense), net	-	-	-	-	0.1
Equity earnings (Avis Ukraine)	0.9	1.6	0.4	0.8	2.4
Other income (expenses), net	-	(0.2)	-	(0.1)	(0.8)
	0.9	1.4	0.4	0.7	1.7

Corporate expenses:

G&A expenses in Q2 2018 decreased to € 0.4 million compared to € 1.1 million in Q2 2017, mainly due to a reversal of provisions.

Financing expenses decreased significantly in H1 2018 compared to the corresponding period in 2017, mainly due to the positive impact of foreign currency exchange differences. 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 (Q1 2017: 11.5 million negative). In Q2 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 (Q2 2017: € 5.3 million positive). Overall in H1 2018, the net positive impact of foreign exchange differences and the Israeli CPI on the Company's debentures, which are denominated in NIS, was € 4.8 million (H1 2017: € 6.2 million negative).

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

Other activities consisted in 2018 of equity earnings from the Company's holding in Avis Ukraine joint venture, which continued to show good results and contributed a net profit of € 0.9 million as part of the Company's equity earnings in H1 2018.

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 June 30, 2018 amounted to € 646.7 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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