



KARDAN N.V.

## UPDATE SALE TRANSACTION TGI AND NEGOTIATIONS DEBENTURE HOLDERS

**Amsterdam, February 27, 2019** - Kardan N.V. ('Kardan' or 'the Company'), wishes to update and clarify, further to an article published in the Israeli press, that advanced negotiations regarding the sale of its holdings in Tahal Group International B.V. ("TGI") are not advancing, and that Kardan is working to advance negotiations with a number of other parties regarding this sale transaction.

In view of the initial stages of negotiations conducted by the Company, as well as the lack of certainty of completing a transaction in general, and in view of timetables agreed upon with the representatives of the debenture holders in particular, the option to include a provision in the arrangement with debenture holders to distribute TGI shares to the debenture holders as repayment of the Company's debt is being considered.

It should be emphasized that as of the date of this press release, the option of distributing TGI shares is being considered as one of the options at hand, and that efforts to sell TGI are being continued. In addition, it is emphasized that as of the date of this press release, the conditions and instructions regarding a possible distribution of TGI shares to debenture holders have not yet been received, the required approvals have not yet been obtained and there is therefore no certainty that the arrangement put forward for approval to the meetings of debenture holders will include such a provision.

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### About Kardan

Kardan develops assets in promising emerging markets, mainly in Asia (predominantly China), Africa and selected CEE and CIS countries. Its activities are mainly focused on 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", "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



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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)"*