

KARDAN N.V.

Amsterdam, November 19, 2014

FILINGS PURSUANT TO ISRAELI LAW

Supplementary report to the 2013 periodic report of Kardan NV (“the Company”) and to the Company’s quarterly Directors Report as of June 30, 2014

Following the Company's 2013 Israeli periodic report, as published on March 27, 2014, and as amended on June 30, 2014 (the "Periodic Report"), and following the quarterly report of the Company as of June 30, 2014, as published on August 31, 2014 (the "Quarterly Report"), the Company herewith publishes a supplementary report to the Periodic Report which includes additions and clarifications to the chapter “Description of the General Development of Kardan NV's Business” in the Company’s Periodic Report (the chapter "Description of the Company's Business Development") and to the contents of the Directors Report in the quarterly report (the "Directors Report"). Unless otherwise stated, the following terms shall have the meanings ascribed to them in the Periodic Report and the Quarterly Report and the reference to the sections below is to the relevant sections in the chapter Description of the Company's Business Development in the Periodic report and the Directors Report in the Quarterly Report:

1. Section 7 in chapter ‘Description of the Company's Business Development’ in the Periodic Report - description of the Real Estate Sector in Asia

- 1.1 Section 7.4.1.1 in the chapter Description of the Company's Business Development in the Periodic Report, footnote (b) to the table after the word "sold": the following description shall be added as follows: "It shall be clarified that the local Government in China provides its approval for the sale of apartments only when construction reaches a certain stage."

Note (c) to the table, after the word "must" the following description shall be added as follows: " Sales contracts in China usually cannot be cancelled,

unless:

- (1) the actual size of the apartment is different by at least 3% of the size which was specified in the initial sales contract;
- (2) there is a delay in the delivery of the apartment of at least three months."

Following the table and the footnotes to the table, the following sentence is added: "As far as an increase in the number of residential units in inventory is described herein, such an increase is due to the progress of the various construction projects."

- 1.2 Section 7.4.3 in the chapter Description of the Company's Business Development in the Periodic Report, after the words "as of December 31, 2013" the following sentence should follow "and till the expected completion date of the project."
- 1.3 Section 7.4.4 in the chapter Description of the Company's Business Development in the Periodic Report, after the word "about" the following sentence should follow "aggregated and expected data, in relation to - "
- 1.4 The table in section 7.6.2.1 in the chapter Description of the Company's Business Development in the Periodic Report, in the line depicting the details of the legal rights to the land (ownership, lease, etc.), after the sentence "right of use for 40 years." The following sentence should be added: "The aforementioned right of use can be extended, provided that the owner of the property has filed a timely request, the request has been approved by the local authority, a new agreement was signed and a payment of land premium was made".
- 1.5 The table in section 7.6.2.4 in the chapter Description of the Company's Business Development in the Periodic Report, in the line depicting the total expected project costs (estimate), after the number "226.78" the following footnote shall be added: "The change in the cost of the project from the end of 2012 to the end of 2013 is due to, among other things, the following reasons:
a) an increase in the expected financing costs in light of the signing of a new

bank loan agreement;
b) a higher interest rate;
c) an increase in fit-out costs of building B in light of the decision to sell it as one unit (en-bloc); and
d) due to a different allocation of part of the construction cost between the commercial component and the residential component”.

1.6 The table in section 7.6.2.3 in the chapter Description of the Company's Business Development in the Periodic Report, the following description shall be added as follows: "For further details with respect to revenue and cost of revenue as recognized in the financial statements, see Section 2.1.2 of this Directors Report”.

1.7 In Section 7.6.2.8 in the chapter Description of the Company's Business Development in the Periodic Report, after the words "gross margin" the following sentence should follow "in relation to the entire project".

In the table in section 7.6.2.8 in the chapter Description of the Company's Business Development in the Periodic Report, in the line depicting the total expected project costs (estimate), after the number "226.78" the following footnote shall be added: "The change in the cost of the project from the end of 2012 to the end of 2013 is due to, among other things, the following reasons:
a) an increase in the expected financing costs in light of the signing of a new bank loan agreement;
b) a higher interest rate;
c) an increase in fit-out costs of building B in light of the decision to sell it as one unit (en-bloc); and
d) due to a different allocation of part of the construction cost between the commercial component and the residential component”.

1.8 In the table in section 7.12.1 in the chapter Description of the Company's Business Development in the Periodic Report in the line depicting the details of the legal rights to the land (ownership, lease, etc.), after the sentence "lease for 40 years." The following sentence should be added: "The aforementioned right

of lease can be extended provided that the owner of the property has filed a timely request, the request has been approved by the local authority, a new agreement was signed and a payment of land premium was made".

2. Section 9 of the chapter Description of the Company's Business Development in the Periodic Report - Description of the infrastructure sectors – Investment in Assets and Projects

- 2.1. Section 9.21.4 in the chapter Description of the Company's Business Development in the Periodic Report, after the paragraph beginning with the words "In the event of the exercise of rights" the following new paragraph shall be added:

"In the event that Tahal Group International shall exercise its rights, Tahal Group International shall pay FIMI an amount equivalent to a consideration which will reflect an IRR (Internal Rate of Return) of 17.5% in US dollars on (the proportional part) of the principal of the loan, provided by FIMI (assuming: (1) interest was paid to FIMI; (2) the rate of payments which have already been repaid to FIMI under the loan agreement until the date of transferring of proceeds as mentioned above, were taken into account when calculating the IRR). From this sum, tax will be deducted as applicable. "

- 2.2. Section 9.21.4 in the chapter Description of the Company's Business Development in the Periodic Report, in the last paragraph of the description, between the words "the shares" and "For further details" the following sentence shall be added: "It is the Company's understanding and interpretation that the call option is exercisable as long as the Warrant was not exercised by FIMI."

- 2.3. In section 9.21.4 in the chapter Description of the Company's Business Development in the Periodic Report, after the last paragraph in the description, the following new paragraph shall be added:

"It is clarified that the warrants granted according to the Warrant Agreement and the call option, will be valid even after the loan agreement is terminated."

3. Section 2.1.3 in the quarterly Directors Report - Liquidity and capital resources

In section 2.1.3 of the Directors Report, note 4 of the assumptions and footnotes describing the cash flow forecast, after the words "paragraph 8 below", the following sentence shall be added as follows: "The repayment of loans is expected from completing sale transactions of assets, such as TBI Credit and Avis Ukraine, as well as from the results of the operating activities."

Regards,

KARDAN N.V

Through: Shouky Oren - CEO

Einat Oz-Gabber - CFO