

Summit Germany Limited
(“Summit” or the “Company”)

Amendment to Portfolio Management Agreement

10 March 2017

Summit, the AIM-listed German commercial property investment company, announces that the terms of the Portfolio Management Agreement between the Company, other members of the Summit Group and Summit Management Company S.A. (“**SMC**”), a company 100% owned by Zohar Levy, Managing Director of the Company, have been amended pursuant to an amendment agreement (the “**PMA Amendment**”).

The Portfolio Management Agreement, amongst other things, currently governs the provision of management services by SMC, including a commitment by SMC to supply a Managing Director and a Finance Director, to the Company and its subsidiaries (together, the “**Summit Group**”) and the fees received by SMC for such services (a portion of which is allocable to the Managing Director).

PMA Amendment

The PMA Amendment, which has been approved by the Board on the recommendation of the Company’s Remuneration Committee, implements three principal amendments to the fee payable to SMC, which are described below.

The primary purpose of the PMA Amendment is to further incentivise SMC to deliver exceptional returns on a sale or series of sales of properties in the Summit Group. Notwithstanding this, the Company’s strategy remains unchanged, namely to acquire high yielding commercial property assets in established locations and maximise value via proactive asset management, including improving occupancy rates or rezoning, which can lead to strong cash flows and increasing capital growth for shareholders.

1. Inclusion of a new “Special Bonus”

SMC shall be entitled to receive a “**Special Bonus**” if, at any time in the period commencing on 1 January 2017 and ending on the date falling three years thereafter (i.e. 1 January 2020), there is a qualifying sale or series of sales of any properties of the Summit Group. A qualifying sale or series of sales is one, which alone or in aggregate, results in the proceeds received by the Summit Group, (net of any costs and expenses incurred in connection with the relevant sale(s)) and less the value (as stated in the Group’s valuation as at 30 June 2016) of the properties sold, being greater than €50 million (the whole of such amount being the “**Qualifying Amount**”). The Special Bonus shall be an amount equal to five per cent. of the Qualifying Amount and is subject to a total aggregate cap of €10 million over the three year term.

2. Amendment to basis of calculation of existing Bonus

The existing annual bonus entitlement of SMC (the “**Bonus**”) remains capped at a maximum of €750,000 per annum. However, the basis on which the Bonus amount is calculated has been amended so that it is no longer based on the Company’s Funds From Operations, but by reference to the aggregate return to the shareholders of the Company at the end of each accounting year, whether as a result of dividends received and/or an increase in the net asset value of the Company (excluding any increase due to revaluations) (the “**Return**”). In the view of the Board, this amendment will provide greater alignment of SMC’s interests with those of the Company and its

shareholders. The Bonus will be calculated on a pro-rata basis for any increase in the Return up to and including 5.5%.

In addition, in the first accounting year in which a Special Bonus is payable, any Bonus payable in that same year shall be deducted from the amount of the Special Bonus so payable.

3. Base fee

The base fee (being the monthly management fee) payable to SMC remains €62,500 plus VAT per month. Going forward, the Portfolio Management Agreement has been amended so that SMC is obliged to provide the services of the Managing Director only and not the services of the Finance Director. As has been the case since November 2014, the Company intends to continue to engage its Finance Director directly.

Related party transaction

For the purposes of AIM Rule 13, SMC is an “associate” of a director (Zohar Levy) and entry into the PMA Amendment by the Summit Group and SMC constitutes a related party transaction.

The independent directors of the Company (being the directors, with the exception of Zohar Levy), having consulted with the Company's nominated adviser, Liberum Capital Limited, consider that the terms of the PMA Amendment are fair and reasonable insofar as the Company's shareholders are concerned.

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