

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

Amendment to Portfolio Management Agreement

21 November 2019

Summit Properties Limited, the German commercial property investment company, announces that the terms of the Portfolio Management Agreement (“**PMA**”) between the Company, other members of the Summit Group and Summit Management Company S.A. (“**SMC**”) have been amended pursuant to an amendment agreement (the “**PMA Amendment**”).

PMA Amendment

The PMA Amendment, which has been approved by the Board on the recommendation of the Company’s Remuneration Committee, implements one principal amendment to the fee payable to SMC, which is described below. The other terms of the PMA remain unchanged.

The primary purpose of the PMA Amendment is to further incentivise SMC to deliver exceptional returns on enhancing portfolio value, including portfolio management, development and sales of properties held by the Company and its subsidiaries (together, the “**Summit Group**”).

As described in the Company’s announcement on 10 March 2017, an entitlement for SMC to receive a “**Special Bonus**” is included in the PMA. Prior to the PMA Amendment, this entitlement only related to a period commencing on 1 January 2017 and ending on the date falling three years thereafter (i.e. 1 January 2020) where there was a qualifying sale or series of sales of any properties of the Summit Group. A qualifying sale or series of sales was one, which alone or in aggregate, resulted 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 is 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. A provision of €6.7 million in relation to the Special Bonus was made in the Company’s interim accounts for the period ended 30 June 2019, which will be payable in early 2020 subject to completion of the disposal of a property, as announced on 19 June 2019.

The PMA Amendment updates the existing Special Bonus arrangements by: (i) including a new entitlement period for a further three years from 1 January 2020; (ii) for the Qualifying Amount calculation in this period, setting the benchmark for the valuation of the properties sold as the value stated in the Group’s valuation as at 30 June 2019 (instead of 30 June 2016) ; and (iii) expressly applying the entitlement to a Special Bonus in the case of a qualifying partial sale (as well as a qualifying sale or series of sales).

Related party transaction

For the purposes of AIM Rule 13, SMC is an “associate” of a director, Zohar Levy, as he owns 100% of SMC, 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.

For further information please contact:

Summit Germany Limited

Tel: +44 (0) 1481 700 300

Zohar Levy - Managing Director

Itay Barlev (Braun) - Finance Director

Non-Executive Chairman

Tel: +44 (0) 20 7451 7050

Harry Hyman

Carey Group, Company Secretary

Tel: +44 (0) 1481 700 300

Chris Le Page / Nikolett Mezei

Liberum Capital Limited, Nominated Adviser and Joint Broker

Tel: +44 (0) 20 3100 2222

Chris Clarke / Gillian Martin / Owen Matthews

Cenkos Securities, Joint Broker

Tel: +44 (0) 20 7397 8900

Mark Connelly

Russell Kerr / Selwyn Jones (Broking)