

**Summit Germany Limited**  
**(the “Company”)**  
**Acquisition of Debt and Related Party Transaction**

28 July 2017

Summit Germany Limited, the AIM-listed German commercial property investment company, is pleased to announce that it has entered into an unconditional agreement with a current lender to acquire a debt secured over Company’s properties (the “Acquired Debt”) for a consideration of €19.5 million (the “Transaction”). The remaining term of the Acquired Debt is approximately 5 years and the annual debt service costs (i.e. principal and interest) are €2.9 million, which will be payable to the Company following the Transaction.

In order to fund the Transaction, the Company has entered into a loan agreement with its majority shareholder, Summit Real Estate Holdings Ltd. (“SREH”) (the “Shareholder Loan Agreement”), whereby SREH will grant an unsecured loan of €19.5 million to the Company (the “Shareholder Loan”). The Shareholder Loan shall bear annual interest of 8 per cent. or approximately €1.6 million, with no amortisation, reflecting cash flow savings of approximately €1.3 million per annum for the Company versus the Acquired Debt. The Shareholder Loan can be repaid by the Company within 3 to 16 months of drawdown.

The Company intends to refinance the properties securing the Acquired Debt and it is intended that the funds received on such refinancing will be used to repay the Shareholder Loan.

For the purposes of AIM Rule 13, SREH is a substantial shareholder and entry into the Shareholder Loan Agreement by the Company and SREH constitutes a related party transaction.

The independent directors of the Company, having consulted with the Company's nominated adviser, Liberum Capital Limited, consider that the terms of the Shareholder Loan Agreement are fair and reasonable insofar as the Company's shareholders are concerned.

**Inside Information**

This announcement contains inside information which is disclosed in accordance with the Market Abuse Regulation (EU Regulation 596/2014).

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