

Crown Energy signs a promissory sale and purchase agreement for a suite of apartments in Luanda, Angola

PRESS RELEASE 15/06/2020

Crown Energy AB (publ) ("Crown Energy", "The Company") has concluded an agreement for the purchase of 10 apartments over approximately a total of 1,000 sqm in the "Ocean Corner" building in Luanda's prime residential and business area. The seller is EDI Angola Limitada. The purchase price is corresponding to SEK 42.5 million. The apartments are fully furnished and can be rented out directly after completion of the transaction.

After the signing of the sales agreement for the C-view property in April last year, the Company has reviewed different options for managing the proceeds from the transaction. While a large portion of the cash is intended to be distributed to parent company as dividends, other options were also analysed. One of the options was to reinvest the proceeds into cash generating properties in Luanda to secure future cash flows and protect the funds from depreciation. This would also create some tax benefits for the profits and proceeds from the C-View sale.

At the moment, as the oil price has gone down from the start of the year and the Covid-19 pandemic has lowered the demand for real estate in Angola in the short term, the prices for properties have adjusted accordingly, thus making a reinvestment of funds into Luanda an attractive option.

The 10 apartments are of various size, ranging from 75 to 137 sqm and are located in the most prime and lucrative area of Luanda, along the ocean shoreline, where the demand and rents for such apartments are high. The apartments are newly built and are fitted out in accordance with our specifications. The completion of the purchase process is expected within the next 3 months, after obtaining regulatory approvals.

The Promissory Sale and Purchase Agreement stipulates the total purchase price in Kwanza (AOA 2,750 million), which corresponds to SEK 42,5 million as of today.

Crown Energy will share further information regarding the deal on its website and quarterly reports closer to completion.

"This is a very interesting transaction for Crown Energy. At the moment, continuing to expand the business where we are already established for almost 20 years makes a lot of sense strategically. The new properties will diversify and strengthen our current portfolio in Angola. We deem the drop in property prices has created opportunities to expand on our range with highly sought-after apartments for tenants that will generate additional rent and service income", says Andreas Forssell, CEO, Crown Energy.

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MORE INFORMATION

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ABOUT CROWN ENERGY

Crown Energy is an international group providing customised solutions for housing, offices and associated services, as well as oil and gas exploration in Africa and the Middle East. For more information please visit www.crownenergy.se