

Virya Energy reaches an agreement to divest its offshore wind energy business to JERA

On 22 March 2023, Virya Energy NV (“Virya Energy”) has signed an agreement with JERA Green Ltd (“JERA Green”), an affiliate of JERA Co., Inc. (“JERA”), to sell 100% of the shares of Parkwind NV (“Parkwind”), Virya Energy’s offshore wind energy platform. Closing of the transaction is expected later this year and is subject to the approval by the relevant competition and other regulatory authorities.

Virya Energy and Parkwind, a proven track record in renewable energy

Virya Energy, the energy holding company in which Colruyt Group owns a stake of 59,9%, is active in the development, financing, construction, operation and maintenance of renewable energy sources, with a particular focus on offshore and onshore wind energy. Virya Energy has the ambition, next to onshore wind energy, to further invest into other technologies such as solar and hydrogen and to expand into new activities and new geographies.

Parkwind, founded in 2012, is one of the subsidiaries of Virya Energy and became the largest offshore wind platform in Belgium.

Parkwind has stakes in four operational wind farms located off the Belgian coast, in the North Sea (Belwind, Northwind, Nobelwind and Northwester 2). Parkwind also has stakes in foreign wind farms, which are either already under construction and partially operational (for instance Arcadis Ost I in Germany) or in development (for instance Oriel in Ireland). Additionally, there are several projects in the pipeline.

Offshore industry in evolution

Colruyt Group previously announced that Virya Energy was elaborating the option of a (partial) divestment of its subsidiary Parkwind. The reason being that the energy market situation, the Green Deal and geopolitical tensions are having an impact on the speed of the evolution of the offshore industry. This results in:

- a substantial increase in the size of offshore wind projects, resulting in a higher financial exposure of investors as from the early stage of the projects;
- an increased focus on renewable energy, resulting in fierce competition and thus requiring higher investments (for example in the form of entry tickets for investors) for new offshore wind projects.

As a result of this transaction, the JERA ownership represents an important milestone for the development of Parkwind as a well-established Belgian-based global player in the energy sector.

JERA, a global company offering solutions to energy issues

JERA is a Japanese company which was established in 2015 by Tokyo Electric Power Company and Chubu Electric Power Company. JERA is an energy company with global reach that has strength in the entire energy supply chain, from participation in LNG upstream projects and fuel procurement, through fuel transportation to power generation. As Japan’s largest power company, and with a global generation portfolio of over 65 GW across 18 countries, JERA is in a position to proactively lead the way toward achieving a decarbonized society and supporting an energy transition in an environmentally and socially responsible manner.

Parkwind and JERA, next level in terms of growth and expansion potential

Parkwind will provide JERA with a significant platform upon which it will grow its renewables business globally, particularly offshore wind. Together with JERA, the combined synergy will accelerate Parkwind's offshore wind business into markets where JERA has a presence or is already well-positioned to participate in offshore wind development as part of the global energy decarbonization initiatives and low-carbon fuel production business growth. JERA is committed to support Parkwind's domestic and international expansion plans. Through the platform, it intends to continue investing in Belgium while growing the team and footprint globally from its existing offices in Leuven. This presents an exciting opportunity for Parkwind and its employees to become an ever more important player in the rapidly expanding offshore wind industry on a global scale.

Transaction

On 22 March 2023, Virya Energy has signed an agreement with JERA Green to sell 100% of the shares of Parkwind. In addition, JERA invites Virya Energy to re-invest part of the expected proceeds from the transaction in a minority stake in Parkwind's Belgian wind farms. The terms of such potential re-investment will be negotiated in good faith between Virya Energy and JERA between signing and closing of the transaction.

The final price can still vary depending on the closing date but is expected to amount to at least EUR 1,55 billion (net of debt) at the level of Virya Energy. Upon completion of the transaction, this will lead to a very large one-off positive effect in the consolidated net result of Colruyt Group in financial year 2023/24. As per 30 September 2022, the net book value of Virya Energy in the consolidated figures of Colruyt Group amounted to EUR 434 million (to a large extent attributable to Parkwind).

Closing of the transaction is expected later this year and is subject to approval by the relevant competition and other regulatory authorities.

Contact information

For questions on this press release or for further information, please send an email to investor@colruytgroup.com or contact Stefaan Vandamme (CFO) or Mélanie Squilbin (Investor Relations) by phone at +32 2 363 50 51 (extension: 92590).

About Colruyt Group

Colruyt Group operates in the food and non-food distribution sector in Belgium, France and Luxembourg with more than 700 own stores and over 580 affiliated stores. In Belgium, this includes Colruyt Lowest Prices, OKay, Bio-Planet, Cru, Dreamland, Dreambaby, Bike Republic, ZEB, PointCarré, The Fashion Store and the affiliated stores Spar and PointCarré. In France, in addition to Colruyt stores, there are also affiliated Coccinelle, Coccimarket, Panier Sympa and PointCarré stores. JIMS operates fitness clubs in Belgium and Luxembourg. Solucious and Culinoa deliver food service and retail products to professional customers in Belgium (hospitals, SMEs, hospitality sector, etc.). The activities of Colruyt Group also comprise energy supply by DATS 24 in Belgium (fuels, natural gas and green energy) and France (fuels), and printing and document management solutions (Symeta Hybrid). The group employs nearly 33.000 employees and recorded a EUR 10,0 billion revenue in 2021/22. Etn. Fr. Colruyt NV is listed on Euronext Brussels (COLR) under ISIN code BE0974256852.

About Virya Energy

Virya Energy is active in the development, financing, construction and operation of renewable energy sources. The holding, established at the end of 2019 by Colruyt Group and its majority shareholder Korys, holds 100% of the shares in Parkwind, Eurowatt, Eoly Energy and Sanchore. Virya Energy is set to further develop renewable energy generation capacities and deliver services across the entire value chain of sustainable energy solutions, including storage. Virya Energy and its subsidiaries, based in Belgium, own and operate more than 1 GW of green energy generation capacity globally and are active in numerous green hydrogen initiatives.

About Parkwind

Parkwind is an independent green energy company that develops, finances and operates offshore wind farms. With more than a decade of experience and 771 MW under operational management in the Belgian North Sea, Parkwind is currently expanding internationally. With active projects at various stages of development, Parkwind has the ambition to further grow its activities in Europe and beyond. Committed to making green energy available and affordable for everyone through its unique approach covering the entire value chain of offshore wind, Parkwind has established itself as a reliable and competitive partner to communities, governments and suppliers globally. Composed of over 120 professionals operating in Belgium, Germany, Ireland, Norway, Greece, and Australia/New Zealand, Parkwind leads the offshore wind energy activities of its Belgian shareholder Virya Energy, which is owned by the Colruyt Group and Korys.

About JERA

Established in 2015, JERA is an equal joint venture of two major Japanese electric power companies, TEPCO Fuel & Power Incorporated and Chubu Electric Power Company and produces about 30% of all electricity in Japan. JERA is an energy company with global reach that has strength in the entire energy supply chain, from participation in LNG upstream projects and fuel procurement, through fuel transportation to power generation. JERA, which stands for Japan's Energy for a New Era, will take on the challenge of achieving net zero CO₂ emissions from its domestic and overseas businesses by 2050 and is supporting an energy transition in an environmentally and socially responsible manner.

About JERA Green

JERA Green Ltd is a wholly owned subsidiary of JERA, a portfolio company established in the UK and dedicated to the development and ownership of renewables including offshore wind.