



# **COOPERATIVE ENTREPRENEURSHIP IN HARMONY WITH SOCIETY**

Financial Report 2023

# Credits

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# A. Consolidated accounts

## 1. Consolidated balance sheet after profit allocation

### ASSETS

(in €)	Codes	PERIOD 2023	PERIOD 2022
Formation expenses	20	84,628.40	106,705.37
<b>FIXED ASSETS</b>	<b>21/28</b>	<b>240,893,725.13</b>	<b>211,472,561.50</b>
Intangible fixed assets	21	28,029,564.40	17,242,698.55
Intangible fixed assets	22/27	202,264,471.44	192,965,525.24
Land and buildings		83,842,482.37	69,802,361.98
Plant, machinery and equipment	23	89,175,413.58	100,527,189.17
Furniture and vehicles	24	7,735,689.28	9,383,208.70
Other tangible fixed assets	26	39,976.42	42,426.29
Assets under construction and advance payments	27	21,470,909.79	13,210,339.10
Financial fixed assets	28	10,599,689.29	1,264,337.71
Companies accounted for using the equity method	9921	10,481,734.18	1,143,252.60
Participating interests	99211	10,481,734.18	1,143,252.60
Other financial assets	284/8	117,955.11	121,085.11
Shares	284	7,787.59	7,787.59
Amounts receivable and cash guarantees	285/8	110,167.52	113,297.52
<b>CURRENT ASSETS</b>	<b>29/58</b>	<b>299,517,008.89</b>	<b>319,171,191.17</b>
Amounts receivable after more than one year	29	256,605.45	315,992.71
Other amounts receivable	291	256,605.45	315,992.71
Stocks and contracts in progress	3	159,833,337.00	171,119,412.87
Stocks	30/36	159,833,337.00	171,119,412.87
Raw materials and consumables	30/31	37,570,406.96	35,328,691.90
Work in progress	32	—	1,287,451.73
Finished goods	33	111,272,315.81	124,545,868.39
Goods purchased for resale	34	10,990,614.23	9,957,400.85
Amounts receivable within one year	40/41	127,627,179.95	141,247,257.52
Trade debtors	40	116,088,481.02	129,139,626.93
Other amounts receivable	41	11,538,698.93	12,107,630.59
Cash at bank and in hand	54/58	10,801,364.01	4,692,724.61
Deferred charges and accrued income	490/1	998,522.48	1,795,803.46
<b>TOTAL ASSETS</b>	<b>20/58</b>	<b>540,495,362.42</b>	<b>530,750,458.04</b>

## EQUITY AND LIABILITIES

(in €)

	Codes	PERIOD 2023	PERIOD 2022
<b>EQUITY</b>	<b>10/15</b>	<b>140,029,175.36</b>	<b>139,943,447.70</b>
Contribution	10/11	44,820,646.26	45,613,296.26
Capital	10	44,820,615.00	45,613,265.00
Issued capital	100	46,059,890.00	45,613,265.00
Uncalled capital	101	1,239,275.00	—
Outside the capital	11	31.26	31.26
Share premium account	1100/10	31.26	31.26
Revaluation surpluses	12	29,270,111.69	14,810,000.00
Consolidated reserves	9910	64,401,612.62	77,758,808.90
Translation differences	9912	2,579.83	2,579.83
Investment grants	15	1,534,224.96	1,758,762.71
<b>MINORITY INTERESTS</b>	<b>9913</b>	<b>—</b>	<b>5,632,036.79</b>
<b>PROVISIONS AND DEFERRED TAXES</b>	<b>16</b>	<b>19,703,144.70</b>	<b>20,313,923.96</b>
Provisions for liabilities and charges	160/5	6,282,814.20	5,830,988.50
Pensions and similar obligations	160	1,133,197.23	967,559.58
Other liabilities and charges	164/5	5,149,616.97	4,863,428.92
Deferred taxes	168	13,420,330.50	14,482,935.46
<b>AMOUNTS PAYABLE</b>	<b>17/49</b>	<b>380,763,042.36</b>	<b>364,861,049.59</b>
Amounts payable after more than one year	17	131,467,152.00	124,929,068.00
Financial debts	170/4	125,669,169.00	119,481,082.00
Credit institutions	173	125,669,169.00	119,481,082.00
Other amounts payable	178/9	5,797,983.00	5,447,986.00
Amounts payable within one year	42/48	248,443,005.15	239,249,597.11
Current portion of amounts payable after more than one year falling due within one year	42	29,011,905.00	27,528,561.00
Financial debts	43	—	—
Credit institutions	430/8	—	—
Trade debts	44	174,234,856.43	182,103,320.18
Suppliers	440/4	174,234,856.43	182,103,320.18
Advances received on contracts in progress	46	1,014,580.82	1,727,588.97
Taxes, remuneration and social security	45	27,047,292.75	25,746,975.78
Taxes	450/3	5,730,115.78	4,527,265.53
Remuneration and social security	454/9	21,317,176.97	21,219,710.25
Other amounts payable	47/48	17,134,370.15	2,143,151.18
Accruals and deferred income	492/3	852,885.21	682,384.48
<b>TOTAL LIABILITIES</b>	<b>10/49</b>	<b>540,495,362.42</b>	<b>530,750,458.04</b>

## 2. Consolidated income statement

(in €)	Codes	PERIOD 2023	PERIOD 2022
Consolidated income statement	70/76A	1,315,379,912.00	1,427,929,502.65
Turnover	70	1,305,500,103.71	1,366,008,654.50
Stocks of finished goods and work and contracts in progress: increase (decrease)	71	-8,148,539.64	36,199,369.17
Other operating income	74	15,230,389.27	16,680,254.91
Non-recurring operating income	76A	2,797,958.66	9,041,224.07
Operating charges	60/66A	1,317,349,956.62	1,418,131,125.90
Raw materials, consumables	60	946,387,107.31	1,083,958,487.82
Purchases	600/8	948,506,230.64	1,093,649,671.62
Stocks: decrease (increase)	609	-2,119,123.33	-9,691,183.80
Services and other goods	61	185,405,153.53	169,778,755.15
Remuneration, social security costs and pensions	62	133,807,265.54	122,256,131.60
Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	630	33,316,142.02	32,245,660.99
Amounts written off stocks, contracts in progress and trade debtors: Appropriations (write-backs)	631/4	1,920,208.35	-299,771.67
Provisions for liabilities and charges: Appropriations (uses and write-backs)	635/8	486,977.36	293,076.02
Other operating charges	640/8	7,669,619.15	6,656,626.32
Non-recurring operating charges	66A	8,357,483.36	3,242,159.67
<b>OPERATING PROFIT (LOSS)</b>	<b>9901</b>	<b>-1,970,044.62</b>	<b>9,798,376.75</b>
Financial income	75/76B	3,798,294.14	645,590.64
Recurring financial income	75	3,798,294.14	645,590.64
Income from financial fixed assets	750	—	—
Income from current assets	751	3,367,166.03	153,902.16
Other financial income	752/9	431,128.11	491,688.48
Financial charges	65/66B	12,299,484.85	5,399,378.03
Recurring financial charges	65	12,299,484.85	5,399,378.03
Debt charges	650	10,273,690.19	3,523,657.11
Other financial charges	652/9	2,025,794.66	1,875,720.92
Non-recurring financial charges	66B	—	—
<b>GAIN (LOSS) FOR THE PERIOD BEFORE TAXES</b>	<b>9903</b>	<b>-10,471,235.3</b>	<b>5,044,589.36</b>

(in €)	Codes	PERIOD 2023	PERIOD 2022
Transfer from deferred taxes	780	1,711,900.31	2,282,728.07
Transfer to deferred taxes	680	649,295.35	232,828.90
Income taxes	67/77	2,288,376.01	2,780,503.22
Taxes	670/3	2,405,934.23	4,154,631.81
Adjustment of income taxes and write-back of tax provisions	77	117,558.22	1,374,128.59
<b>GAIN (LOSS) OF THE PERIOD</b>	<b>9904</b>	<b>-11,697,006.38</b>	<b>4,313,985.31</b>
Share in the result of the companies accounted for using the equity method	9975	129,841.71	86,043.80
Profits	99751	158,915.51	86,043.80
Losses	99651	29,073.80	—
<b>CONSOLIDATED PROFIT (CONSOLIDATED LOSS)</b>	<b>9976</b>	<b>-11,567,164.67</b>	<b>4,400,029.11</b>
Of which:			
Share of third parties in the result	99761	—	104,333.43
Share of the group in the result	99762	-11,567,164.67	4,295,695.68



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### 3. Explanatory disclosures

#### 1. List of the consolidated subsidiary companies and companies included using the equity method

NAME, full address of the REGISTERED OFFICE and for an enterprise governed by Belgian law, the COMPANY IDENTIFICATION NUMBER	The equity method <sup>(1)</sup>	Proportion of capital or contribution held <sup>(2)</sup> (in %)	Change of percentage of capital held or contribution held (as compared to the previous period)
Milcobel 3F - BE 0424.899.491 - Cooperative company Fabriekstraat 141, 9120 Kallo (Beveren-Waas), Belgium	E3	65.15	4.99
Milcobel Dairy - BE 0870.017.447 - Public limited company Fabriekstraat 141, 9120 Kallo (Beveren-Waas), Belgium	F	100.00	0.00
Kaasimport Dupont - BE 0405.109.216 - Public limited company Lieven Bauwensstraat 9, 8200 Sint-Andries, Belgium	F	100.00	0.00
Cheeseline - BE 0441.187.078 - Public limited company Lieven Bauwensstraat 9, 8200 Sint-Andries, Belgium	F	100.00	0.00
Camal - BE 0412.859.912 - Public limited company Route de Légipont 12, 4671 Blégny, Belgium	F	100.00	0.00
Ysco - BE 0472.336.451 - Public limited company Fabriekstraat 141, 9120 Kallo (Beveren-Waas), Belgium	F	100.00	0.00
Ysco France sas Avenue de la 2e DB 53, 61208 Argentan, France	F	100.00	0.00
Ysco holding France sas Rue de la Gare 3087, 59299 Boeschepe, France	I	100.00	0.00

NAME, full address of the REGISTERED OFFICE and for an enterprise governed by Belgian law, the COMPANY IDENTIFICATION NUMBER	The equity method <sup>(1)</sup>	Proportion of capital or contribution held <sup>(2)</sup> (in %)	Change of percentage of capital held or contribution held (as compared to the previous period)
Kaasbrik - BE 0423.910.091 - Public limited company Industriepark 1216, 3545 Halen, Belgium	F	100.00	0.00
Jokali - BE 0427.152.267 - Public limited company Fabriekstraat 141, 9120 Kallo (Beveren-Waas), Belgium	F	100.00	0.00
KJD Consult - BE 0631.728.633 - Limited liability company Fabriekstraat 141, 9120 Kallo (Beveren-Waas), Belgium	F	100.00	0.00
Milcobel Asia LTD. Room 7/03, 7F, Austin Tower, Austin Avenue 22-26, Tsim Sha Tsui, Hong Kong	F	100.00	0.00
Héritage 1466 - BE 0425.964.513 - Public limited company Rue de Charneux 32, 4650 Herve, Belgium	E4	20.00	0.00

(1) F: Full consolidation

E3: Equity method used in a subsidiary company which is in liquidation, which has decided to cease activities or which can no longer be considered as carrying on the business (article 3:99 and 3:100 of the aforementioned Royal Decree).

E4: Equity method used in a joint subsidiary company where its activities cannot be closely integrated into the activities of the enterprise having the joint control (article 3:124, second al. of the aforementioned Royal Decree).

(2) Proportion of the capital or contribution of those enterprises being held by the enterprises included in the consolidated accounts and persons acting in their own names but on on these enterprises.

## 2. Consolidation criteria and changes in the consolidation scope

If of any importacne, Information and criteria governing the application of full consolidation, proportional consolidation and the equity method as well as those cases in which these criteria are departed from, and justification for such departures (pursuant to article 3: 156, I. of the Royal Decree of 29 april 2019 in implementation of the Company and Association Code).

The full consolidation method was applied to all companies which are controlled directly or indirectly by the consolidating company, by law or in fact, and to companies over which control is shared. These companies have been included in the consolidated annual accounts using the full consolidation method or the equity method, according to the degree of integration into Milcobel.

The participations in affiliated companies have been valued and included in the accounts using the equity method.

Information which makes a comparaison meaningfull with the consolidated annual accounts of the previous financial period in case the composition of the consolidation aggregate in the course of the current financial period has changed significantly (in implementation of article 3:102 of the same Decree).

In 2023, it was decided to dissolve the Milcobel 3F entity. As a result of this decision, this entity is consolidated using the equity method. As a result, 9. 3MEUR was recognised as 'participating interest' under financial fixed assets.

## 3. Valuation rules

Specification of the criteria of significatif importance for valuation of the various items in the consolidated financial statements, in particular:

- the application and ajustments of depreciation, amounts written down and provisions for liabilities and charges, and revaluations (pursuant to Article 3:156, VI.a. of the Royal Decree of 29 april 2019 inimplementation of the Company and Association Code).
- the bases of translation applied to express in the consolidated accounts items which are, or originally were, expressed in a currency other than the currency in which the consolidated accounts are stated, and the translation in the conslidated accounts of the accounting statements of subsidiaries and associated enterprises governed by foreign law (pursuant to Article 3: 156, VI.b. of the aforementioned Royal Decree).



## ASSETS

### Establishment costs

The establishment costs are depreciated on a straight-line basis at 20%.

### Intangible fixed assets

The acquisitions and brought in intangible fixed assets are booked on the asset side of the balance sheet at their acquisition price or brought in value and are depreciated on a straight-line basis in accordance with the following percentages:

	min.	max.
1. Research and development costs	20	20
2. Concessions, patents, licences, brands, etc.	10	20
3. Goodwill	10	20
4. Advance payments	0	0

Under project SYRY, investments of +/-12M EUR were capitalised as intangible assets.

As a result of a review of the useful lives of these intangible fixed assets, it was decided to adjust the useful life of software from 5 years to 10 years. On the historical investments (before 2023), an adjustment was made in the amount of EUR 1.5M. This impact was recognised as non-recurring operating income in 2023.

## Consolidation differences

The consolidation differences represent the divergences between on the one hand the acquisition value and on the other the corresponding part of the equity capital on the date on which the shares have been acquired or a nearby date close to it.

Insofar as these differences originate from an over or under valuation of specific items on the asset or liabilities side, they will be allocated to it. The remaining difference is included in the consolidated accounts in the item "consolidation differences" on the asset or liabilities side of the balance sheet, depending on whether the acquisition value is higher or lower than the share in the (possibly recalculated) equity capital.

Activated consolidation differences are depreciated in a straight line over a period between five and ten year. Additional or extraordinary depreciations are applied to these differences when, as a result of changes in economic circumstances, it is no longer justified to retain them at that particular value in the consolidated balance sheet.

Negative consolidation differences are booked to the liabilities side. They only benefit the consolidated profit & loss account to cover operational losses incurred for reasons existing at the time of the acquisition (overcapacity, staffing levels too high) and within a limited period of time. They are booked to code 9960 'Amounts written down on positive consolidation differences'.

## Tangible fixed assets

Tangible fixed assets are booked to the asset side of the balance sheet at their acquisition price (incl. additional costs) or their brought in value.

In 2022, as part of the sale of a site by Milcobel Dairy NV, an independent valuation was carried out on land located in the Fabriekstraat in Beveren.

In 2023, the scope of this independent valuation was widened to include all land owned by the group. As a result, the value of the land, booked as tangible fixed assets, increased by rounded EUR 14.5M. The basis of this is the 'equilibrium value' as calculated by the independent valuer, minus a downward safety margin of 25%.

Depreciations are booked according to the straight-line method (pro rata temporis) over the economic life.

The depreciation percentages are as follows:

	min.	max.
1. Industrial, administrative and commercial buildings	3	10
2. Plant, machinery and equipment	5	25
3. Vehicles	10	25
4. Office equipment and furniture	10	33
5. Other tangible fixed assets	3	20
6. Assets under construction and advance payments	0	0
7. Leasing and similar rights	according to the category to which the asset belongs	

## Stocks

- Raw materials: acquisition value according to weighted average price or lower market value on balance sheet date for solid and liquid dairy produce and for ice cream activities;
- Spare parts: acquisition value according to weighted average price
- Consumables and goods purchased for resale: acquisition value according to weighted average price or lower market value on balance sheet date for solid and liquid dairy produce and for ice cream activities;
  - "Acquisition value according to FIFO method or lower market value on balance sheet date for liquid dairy produce;
  - "Acquisition value according to the weighted average price, FIFO method or individualisation of the price of each component for the cheese distribution and this depending on the nature of the product. the acquisition value may not exceed the market value on the balance sheet date;
- Finished goods: valuation at manufacture price or market value, if this is lower on the balance sheet date;
  - "In addition to the purchasing cost of raw materials, consumer goods and consumables, the manufacture price includes production costs that are directly accountable to individual products or product groups.

As a result of operational issues following the SAP go-live for the MCP business (Project Syry), costs of EUR 6.8M were realised. This amount includes margin loss, write-

downs and destructions on inventory as at 31/12/2023.

## Accounts receivable within one year

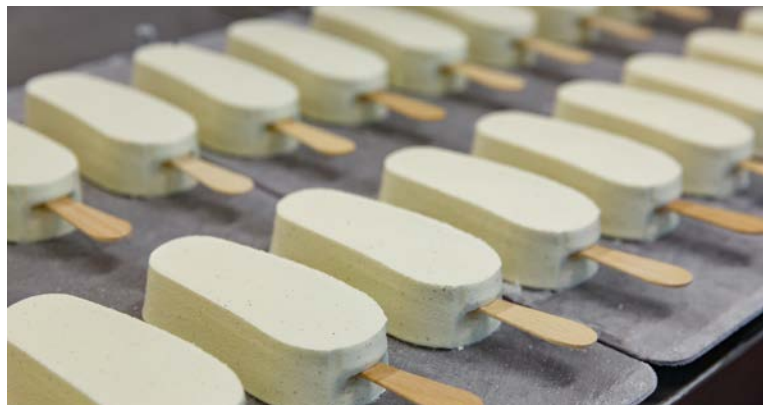
Accounts receivable are included at nominal value. Write downs are booked to these accounts receivable when their collectibility is in doubt.

## Investments

Shares and fixed income securities: acquisition value.  
Credit balances at financial institutions: nominal value.

## Cash at bank and in hand

Valuation at nominal value.





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## LIABILITIES

### Consolidated reserves

The group reserves include the reserves and results carried forward of the consolidated company, raised with the share of the group in the results, after deduction of dividends, of the full and proportionally consolidated companies and the companies to which the equity method has been applied.

### Revaluation surpluses

The revaluation of land is based on an appraisal report by an independent body with proven experience in transactions involving land, land and buildings, where the estimated value is verified against one or more actual transactions on the same site or in the same municipality/province.

In 2022, as part of the sale of a site by Milcobel Dairy NV, an independent valuation was carried out on land located in the Fabriekstraat in Beveren.

In 2023, the scope of this independent valuation was widened to include all land owned by the group. As a result, the value of the land, booked as tangible fixed assets, increased by rounded EUR 14.5M.

The basis of this is the 'equilibrium value' as calculated by the independent valuer, minus a downward safety margin of 25%.

### Investment grants

Investment grants are valued at nominal value after deduction of deferred taxes.

### Provisions for risks and costs

The Board of Directors decides, on the basis of a prudent

evaluation, which provisions should be made to cover the cost of early retirement, major repairs and maintenance, settlement of claims, supplied guarantees, hedge risks and possible other risks and costs that are probable or certain on the balance sheet date, but the extent of which is not yet known.

### Deferred tax and latent liabilities

Deferred tax and latent liabilities are booked:

- To the differences resulting from the application of the valuation rules of the Group with respect to the statutory valuation rules of the Group companies,
- To the temporary differences between accounting and tax results,
- To the granted not yet depreciated investment grants and untaxed gains values included in the company's equity capital.

### Amounts payable after one year and within one year

Amounts payable are booked at their nominal value.

### Deferred charges and accrued income

Revenue and costs are allocated to the period to which they apply.

### Foreign currency

Foreign currency receivables and payables are valued at the exchange rate applicable on the balance sheet date. Negative exchange rate differences are booked in results. Positive exchange rate differences are booked to transitory accounts on the liabilities side.



#### 4. Methods of calculating of deferred taxes

Detailed explanation on the methods applied in determining deferred taxes

Deferred tax and latent liabilities are booked:

- To the differences resulting from the application of the valuation rules of the Group with respect to the statutory valuation rules of the Group companies,
- To the temporary differences between accounting and tax results,
- To the granted not yet depreciated iPICestment grants and untaxed gains values included in the company's equity capital.

#### FUTURE TAXATION AND DEFERRED TAXES

Deferred taxes	(code 168)
Future taxation (Pursuant to article 3:54 of the Royal Decree of 29 april 2019 in implementation of Company and Association Law)	13,420,330.50
Deferred taxes (Pursuant to article 3:119 of aforementioned Royal Decree)	—
	13,420,330.50

#### 5. Statement of formation expenses

	PERIOD 2023
Net book value at the end of the period	(code 20) 106,705.37
Movements during the period	
New expenses incurred	—
Depreciation	22,076.97
<b>Net book value at the end of the period</b>	<b>84,628.40</b>
Of which	
Formation or capital increase expenses, loan issue expenses and other formation expenses	84,628.40

## 6. Statement of intangible fixed assets

	CONCESSIONS, PATENTS, LICENCES, KNOW-HOW, BRANDS AND SIMILAR RIGHTS (code 211)	GOODWILL (code 212)	ADVANCE PAYMENTS (code 213)
Acquisition value at the end of the period	32,708,433.53	8,902,547.67	8,697,681.83
Movements during the period			
Acquisitions, including produced fixed assets	—	—	13,153,550.32
Sales and disposals	1,000.00	—	5,457,080.44
Transfers from one heading to another	12,128,031.28	—	-12,128,031.28
Other movements	—	—	4,596,821.90
<b>Acquisition value at the end of the period</b>	<b>44,835,464.81</b>	<b>8,902,547.67</b>	<b>8,862,942.33</b>
Depreciations and amounts written down at the end of the period	26,913,560.73	6,152,403.75	—
Movements during the period			
Recorded	2,683,922.59	323,546.34	—
Cancelled owing to sales and disposals	1,000.00	—	—
Other movements	-1,501,043.00	—	—
<b>Depreciations and amounts written down at the end of the period</b>	<b>28,095,440.32</b>	<b>6,475,950.09</b>	—
<b>NET BOOK VALUE AT THE END OF THE PERIOD</b>	<b>16,740,024.49</b>	<b>2,426,597.58</b>	<b>8,862,942.33</b>

## 7. Statement of tangible fixed assets

	LAND AND BUILDINGS (code 22)	PLANT, MACHINERY AND EQUIPMENT (code 23)	FURNITURE AND VEHICLES (code 24)
Acquisition value at the end of the period	128,785,824.40	432,063,546.41	48,082,918.55
Movements during the period			
Acquisitions, including produced fixed assets	—	—	—
Sales and disposals	17,250.34	252,903.46	839,409.92
Transfers from one heading to another	3,593,836.64	10,071,292.34	3,244,125.88
Other movements	-5.86	2,588.75	-0.30
<b>Acquisition value at the end of the period</b>	<b>132,362,404.84</b>	<b>441,884,524.04</b>	<b>50,487,634.21</b>
Revaluation surpluses at the end of the period	14,810,000.00	—	—
Movements during the period			
Recorded	19,165,465.69	—	—
Cancelled	4,705,354.00	—	—
<b>Revaluation surpluses at the end of the period</b>	<b>29,270,111.69</b>	<b>—</b>	<b>—</b>
Depreciations and amounts written down at the end of the period	73,793,462.42	331,536,357.24	38,699,709.85
Movements during the period			
Recorded	4,013,827.55	21,422,587.02	4,847,731.68
Cancelled owing to sales and disposals	17,250.34	252,422.16	795,496.31
Other movements	-5.47	2,588.36	-0.29
<b>Depreciations and amounts written down at the end of the period</b>	<b>77,790,034.16</b>	<b>352,709,110.46</b>	<b>42,751,944.93</b>
<b>NET BOOK VALUE AT THE END OF THE PERIOD</b>	<b>83,842,482.37</b>	<b>89,175,413.58</b>	<b>7,735,689.28</b>

	LEASING AND SIMILAR RIGHTS (code 25)	OTHER TANGIBLE FIXED ASSETS (code 26)	ASSETS UNDER CONSTRUCTION AND ADVANCED PAYMENTS (code 27)
Acquisition value at the end of the previous period	25,978.84	596,168.45	13,210,339.10
Movements during the period			
Acquisitions, including produced fixed assets	—	—	29,766,647.47
Sales and disposals	—	—	—
Transfers from one heading to another	—	—	-16,909,254.86
Other movements	—	—	-4,596,821.92
<b>Acquisition value at the end of the period</b>	<b>25,978.84</b>	<b>596,168.45</b>	<b>21,470,909.79</b>
Depreciation and amounts written down at the end of the previous period	25,978.84	553,742.16	—
Movements during the period			
Recorded	—	2,449.87	—
Cancelled	—	—	—
Other movements	—	—	—
<b>Depreciations and amounts written down at the end of the period</b>	<b>25,978.84</b>	<b>556,192.03</b>	<b>—</b>
<b>NET BOOK VALUE AT THE END OF THE PERIOD</b>	<b>—</b>	<b>39,976.42</b>	<b>21,470,909.79</b>

## 8. Statement of financial fixed assets

PARTICIPATIONS	ENTERPRISES ACCOUNTED FOR USING THE EQUITY METHOD
Acquisition value at the end of the period	743,829.90
Movements during the period	
Acquisitions	—
Sales and disposals	—
Transfers from one heading to another	9,208,639.87
<b>Acquisition value at the end of the period</b>	<b>9,952,469.77</b>
Movements during the period	
Recorded	—
Cancelled	—
Movements in the capital and reserves at the end of the previous period using the equity method	399,422.70
Movements during the period	
Share in the result for the financial period	129,841.71
<b>Movements in the capital and reserves at the end of the period using the equity method</b>	<b>529,264.41</b>
<b>NET BOOK VALUE AT THE END OF THE PERIOD</b>	<b>10,481,734.18</b>
PARTICIPATIONS	OTHER ENTERPRISES
Acquisition value at the end of the period	7,787.59
Movements during the period	
Acquisitions	—
<b>Acquisition value at the end of the period</b>	<b>7,787.59</b>
<b>NET BOOK VALUE AT THE END OF THE PERIOD</b>	<b>7,787.59</b>

<b>AMOUNTS RECEIVABLE</b>	<b>OTHER ENTERPRISES</b>
Net book value at the end of the previous period	113,297.52
Movements during the period	
Additions	—
Repayments	3,130.00
<b>NET BOOK VALUE AT THE END OF THE PERIOD</b>	<b>110,167.52</b>

## 9. Statement of consolidated reserve

<b>CONSOLIDATED RESERVES</b>	<b>(code 9910)</b>
Consolidated reserves at the end of the previous period	77,758,808.90
Movements during the period	
Shares of the group in the consolidated income	-11,567,164.67
Other movements	-1,790,031.61
Dividend	-1,790,031.61
Transactions with minority interests	—
<b>CONSOLIDATED RESERVES AT THE END OF THE PERIOD</b>	<b>64,401,612.62</b>

## 10. Statement of amounts payable

<b>BREAKDOWN OF AMOUNTS PAYABLE WITH AN ORIGINAL PERIOD TO MATURITY OF MORE THAN ONE YEAR, ACCORDING TO THEIR RESIDUAL TERM</b>	<b>DEBTS WITHIN ONE YEAR (code 42)</b>	<b>BETWEEN ONE AND FIVE YEARS (code 17)</b>	<b>OVER FIVE YEARS (code 17)</b>
Financial debts	28,811,913.00	83,096,669.00	42,572,500.00
Credit institutions	28,811,913.00	83,096,669.00	42,572,500.00
Other amounts payable	199,992.00	5,797,983.00	—
<b>TOTAL</b>	<b>29,011,905.00</b>	<b>88,894,652.00</b>	<b>42,572,500.00</b>

## 11. Net turnover

NET TURNOVER	PERIOD 2023	PERIOD 2022
Aggregate turnover of the group in Belgium	459,219,660.68	495,659,629.36
AVERAGE NUMBER OF PERSONS EMPLOYED (IN UNITS) AND PERSONNEL CHARGES	PERIOD 2023	PERIOD 2022
Consolidated enterprises and fully consolidated enterprises		
Average number of persons employed (in units)	1,910	1,878
Workers	1,399	1,385
Employees	504	486
Management personnel	7	7
Others persons	—	—
Personnel charges		
Remuneration and social charges	136,374,297.95	125,308,517.90
Pensions	60,932.78	124,874.72
Average number of persons employed in Belgium by the enterprises concerned	1,681.00	1,672.00
NON RECURRING INCOME	PERIOD 2023	PERIOD 2022
Non-recurring operating income	2,797,958.66	9,041,224.07
Write-back of depreciation and of amounts written off intangible and tangible fixed assets	1,501,042.98	—
Capital gains on disposal of intangible and tangible fixed asset	143,630.72	6,314,423.75
Other non-recurring operating income	1,153,284.96	2,726,800.32
Of which: proceeds from sale of Schoten site	—	639,920.49
netting post-payment 2021	—	900,136.91
offsetting / miscellaneous	1,153,284.96	929,407.06
NON-RECURRING EXPENSES	PERIOD 2023	PERIOD 2022
Non-recurring expenses	8,357,483.36	3,242,159.67
Non-recurring operating charges	8,357,483.36	3,242,159.67
Non-recurring depreciation of and amounts written off formation expenses, intangible and tangible fixed assets	—	—
Capital losses on disposal of intangible and tangible fixed assets	—	322,276.28
Other non-recurring operating charges	8,357,483.36	2,919,883.39
Of which: Listeria	—	1,344,545.65
costs arising from project Syry	5,763,171.51	—
offsetting / miscellaneous	2,594,311.85	1,211,346.12

INCOME TAXES	PERIOD 2023	PERIOD 2022
Difference between the tax charged in the consolidated income statement for the period and the preceding periods and the amount of the tax paid or payable in respect of those periods, in as far as this difference is significant in respect of future taxation	-13,312,657.50	-14,307,198.74

## 12. Rights and commitments not reflected in the balance sheet

RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET	PERIOD 2023
Commitments to exchange rates	17,920,959.94
Amount, nature and form concerning litigation and other important commitments Taking into account the refinancing after year-end, we can state that all covenants were respected Minimum guaranteed turnover 2024 of 8.050K Eur for external storage Commitment to purchase raw materials and packaging 2024 for 108.604K EUR	
Commitments with respect to retirement and survivors pensions in favour of their personnel or executives, at the expense of the enterprises included in the consolidation The company has contracted a group insurance policy for its employees and managers with a Belgian insurance company. The costs are partially supported by the company and partially by the concerned person	
Nature and financial impact of significant events after the closing date not included in the balance sheet or the income statement	nihil
Nature, commercial objective and financial consequences of transactions not reflected in the balance sheet Provided that the risks or advantages coming from these transactions are significant and if the disclosure of the risks or advantages is necessary to appreciate the financial situation of the company Borrowings under the banking agreement will be secured by the subsidiaries' assets	

## 13. Relationships with affiliated enterprises and enterprises linked by participating interests but not included in the consolidation

AFFILIATED ENTERPRISES	PERIOD 2023	PERIOD 2022
Financial fixed assets Participating interests	10,481,734.18	1,143,252.60
Amounts payable Within one year	14,455,871.26 14,455,871.26	— —
Transactions with enterprises linked by participating interests out of market conditions	nihil	nihil



## 14. Financial relationships with

### DIRECTORS, MANAGERS, INDIVIDUALS OR BODIES CORPORATE WHO CONTROL THE ENTERPRISE WITHOUT BEING ASSOCIATED THEREWITH OR OTHER ENTERPRISES CONTROLLED BY THESE PERSONS

PERIOD  
2023

Total amount of remuneration granted in respect of their responsibilities in the consolidation enterprise, its subsidiary companies and its affiliated companies, including the amounts in respect of retirement pensions granted to former directors or managers

340,425.57

### AUDITORS OR PEOPLE THEY ARE LINKED TO

PERIOD  
2023

Auditor's fees according to a mandate at the group level led by the company publishing the information

173,000.00

Fees for exceptional services or special missions executed in these group by the auditor

Other attestation missions

24,520.00

Other missions external to the audit

4,950.00

Fees to people auditors are linked to according to the mandate at the group level led by the company publishing the information

23,200.00

## 15. For every category of derivatives not measured at fair value

Category derivative financial instruments	Hedged risk	Speculation / hedging	Scope	Period: Booked value	Period: Real value	Preceding period: booked value	Preceding period: real value
Interest rate swap	Interest	Hedging	126287558	-	4.205.777,01	-	6.769.191,07



## B. Other documents to be filed under Belgian company law

### Consolidated annual report 2023

In accordance with legal and statutory obligations, we have the honour to report to you on Milcobel cv's consolidated financial statements as at 31 December 2023.

#### ASSETS

##### **INTANGIBLE FIXED ASSETS (EUR 28,029,564)**

This mainly concerns investments in software (EUR 9.2 million) and the purchase of greenhouse gas emission rights.

##### **TANGIBLE FIXED ASSETS (EUR 202,264,471)**

Investments for the financial year amount to EUR 30 million.

##### **FINANCIAL FIXED ASSETS (EUR 10,599,689)**

The companies with participation interests (EUR 10,481,734) relate to Héritage 1466 SA and Milcobel 3F in liquidation.

##### **INVENTORIES (EUR 159,833,337)**

Inventories account for 29.5% of total assets and decreased by 6.6% compared to last year.

##### **RECEIVABLES DUE WITHIN 1 YEAR (EUR 127,627,180)**

Receivables decreased by 9.6% compared to last year.

## LIABILITIES

### PROVISIONS AND DEFERRED TAXES (EUR 19,703,145)

The deferred taxes and deferred tax assets (EUR 13,420,331) item originates from the difference between the business economic and fiscal valuation of the tangible fixed assets.

### NON-CURRENT LIABILITIES (EUR 131,467,152)

Financial debts mainly concern term loans taken out with various banking institutions. In 2023, EUR 35 million of new loans were taken out, EUR 27.3 million were repaid.

### CURRENT LIABILITIES (EUR 248,443,005)

Debt increased by 3.8% compared to last year.

## RESULTS

### OPERATING RESULTS

Sales achieved in 2023 amount to EUR 1,306 million.

Turnover can be broken down as follows:

- 901 million was achieved by dairy activities.
- 405 million was achieved by ice cream activities.

### FINANCIAL RESULTS

The cost of debt increased sharply compared to last year.

## EVENTS

2023 was a challenging dairy year. We are in a very turbulent global dairy market, both on the demand and supply side, which calls for greater flexibility. On the demand side, globalization results in more geopolitical and economic uncertainties. On the supply side, we see that the greatly increased regulations around agriculture and livestock farming in Europe and Belgium lead to greatly increased competition in a market where milk production is under pressure. We must therefore reckon with a declining milk supply.

In addition, the cost of energy, raw materials and services increased sharply. Wage costs also rose sharply due to mandatory indexation. Furthermore, Milcobel was also confronted with high one-off costs due to the difficult but necessary implementation of an ERP software system in Milcobel Consumer Products. As a result, Milcobel closed the year with a net loss of 11.6 mio euro on a turnover of 1.315 mia € (3.7% less than the previous year).

2023 certainly also yielded a number of successes, including: Milcobel invested in a successful partnership with ARLA for higher valorization of whey from the mozzarella factory in Langemark. Subsidiaries Ysco and Camal put in a very strong performance in 2023. The variety activities within Kaasbrik were further expanded and performed strongly.

### **MILCOBEL PREMIUM INGREDIENTS**

After a record year 2022 in terms of dairy quotations, we saw a story of falling global dairy prices in 2023. Global milk supply remained fairly stable for the first time in a long time: lower milk prices and high costs for dairy farmers hindered growth. While waiting patiently for Chinese demand to recover, global markets faced much lower net dairy imports into that market for the 2nd consecutive year. As for Mozzarella, there was sufficient demand from the market, resulting in better valorization than other ingredients. Kaasbrik was able to take advantage of this movement in the market and posted a strong result.

### **MILCOBEL CONSUMER PRODUCTS**

2023 was a challenging year for Milcobel Consumer Products, which switched to a new Enterprise Resource Planning system (a software system that helps automate and optimize key business processes) in the fourth quarter of last year. A necessary project to gain a better view of the profitability of the business and to be able to focus on those areas that are of most interest to our company and therefore to our members. Implementing SAP is a very radical process, where every

step - from ordering, through production, to storage, transport, delivery, invoicing, etc. - has to be transferred. While in any company this is accompanied by a difficult transition period, at our Bruges site we encountered a number of additional problems, which we tackled immediately. Various processes were further optimized. However, this meant that for several months at the end of 2023 we could not deliver our cheeses as before, which had an impact on the result and on customer satisfaction. In the meantime, production is running as before, service has been greatly improved, and we continue to work on strengthening customer relations.

## **YSCO**

YSCO was faced with very sharp increases in raw material prices, which it had to take into account in its negotiations with clients. Positive for YSCO is that also for ice cream there was a shift in consumption from A-brands to private label. 2023 ended with an ice cream volume produced of 190.3 mio liters, the second best year ever.

## **EVENTS AFTER THE BALANCE SHEET DATE**

The board of directors reports a special works council held on April 22, 2024, which announced the intention to reorganize to make the organization more efficient, flexible and resilient for the future.

## **FINANCIAL INSTRUMENTS**

A long-term financing agreement was signed on 12 March 2021, between Milcobel, KBC, BNP Paribas Fortis, ING and Belfius. The financing agreement amounts to EUR 166.10 million. This guarantees long-term financing. The provisions have a term of five years. Milcobel uses the financing facilities to repay its COVID-19 facilities, for capital expenditure, potential acquisitions and for general corporate and working capital purposes.

Forward foreign exchange contracts are mainly used to hedge currency risks arising from sales transactions. Interest rate hedging is used for a significant portion of short-term interest-bearing debt in order to counter interest rate fluctuations. Most of the long-term interest-bearing debt is incurred at a fixed interest rate.

## RESEARCH AND DEVELOPMENT

Existing activities related to research and development continue in the various divisions.

## RISKS AND UNCERTAINTIES

Besides the general business risks, the Milcobel Group faces risks specific to a dairy company. Calamities can cause severe disruption in milk supply and the production and sales process. This risk is mitigated by the introduction of a quality assurance system (IKM (Integral Milk Quality Assurance)).

Kallo, 24 April 2024

**Betty Eeckhaut**  
Chairperson

**Luc Van Laer**  
Director

## ADDITIONAL INFORMATION

As part of the SYRY project, investments of ±12M EUR were capitalized as intangible fixed assets. Following a review of the useful lives of these intangible fixed assets, it was decided to adjust the useful life of software from 5 years to 10 years. An adjustment was made on the historical investments (before 2023) in the amount of 1.5M EUR. This impact was recognized as non-recurring operating income in 2023.

In 2022, as part of the sale of a site by Milcobel Dairy NV, an independent valuation was performed on land located in the Fabriekstraat in Beveren.

In 2023, the scope of this independent valuation was broadened to include all land owned by the group. This increased the value of the land, booked as property, plant and equipment, by rounded 14.5M EUR. The basis for this is the “equilibrium value” as calculated by the independent valuer, minus a downward safety margin of 25%.

As a result of the operational problems following the SAP go-live for the MCP business (project Syry), costs were realized in the amount of 6.8M EUR. This amount includes mainly related to margin loss and write-downs and destructions on inventory as of 31/12/2023.



# C. Statutory auditor's report

## STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF MILCOBEL CV ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated accounts of Milcobel CV (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the consolidated accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d. 20 June 2023, following the proposal formulated by the board of directors and following the proposal formulated by the works' council. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2025. We have performed the statutory audit of the Company's consolidated accounts for 16 consecutive years.

### REPORT ON THE CONSOLIDATED ACCOUNTS

#### **Unqualified opinion**

We have performed the statutory audit of the Group's consolidated accounts, which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated profit and loss account for the year then ended, and the notes to the consolidated accounts, characterised by a consolidated balance sheet total of EUR 540,495,362.42 and a consolidated profit and loss account showing a consolidated loss for the year of EUR 11,567,164.67.

In our opinion, the consolidated accounts give a true and fair view of the Group's net equity and financial position as at 31 December 2023, and of its results for the year then ended, in accordance with the financial-reporting framework applicable in Belgium.

#### **Basis for unqualified opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "Statutory auditor's responsibilities for the audit of the consolidated accounts" section of our report.

We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of the board of directors for the preparation of the consolidated accounts**

The board of directors is responsible for the preparation of consolidated accounts that give a true and fair view in accordance with the financial-reporting framework applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### **Statutory auditor's responsibilities for the audit of the consolidated accounts**

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium. A statutory audit does not provide any assurance as to the Group's future viability nor as to the efficiency or effectiveness of the board of directors' current or future business management at Group level. Our

responsibilities in respect of the use of the going concern basis of accounting by the board of directors' are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## OTHER LEGAL AND REGULATORY REQUIREMENTS

### Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated accounts.

### Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated accounts and to report on these matters.

### Aspects related to the directors' report on the consolidated accounts

In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated accounts, this directors' report is consistent with the consolidated accounts for the year under audit and is prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report on the consolidated accounts is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

### Statement related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to

in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the consolidated accounts.

Antwerp, 30 April 2024

**The statutory auditor, PwC Bedrijfsrevisoren BV/PwC Reviseurs d'Entreprises SRL**  
Represented by Filip Lozie\*, Bedrijfsrevisor/Réviseur d'entreprises

\* Acting on behalf of Filip Lozie BV



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Ed, June 2024

