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Financial Report 2020



Credits

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A. Consolidated accounts

1. Consolidated balance sheet after appropriation

ASSETS

(in €)	Codes	PERIOD 2020	PERIOD 2019
FIXED ASSETS	21/28	206,538,046.17	224,988,333.82
Intangible fixed assets	21	11,548,130.67	11,398,186.96
Positive consolidation differences	9920		
Tangible fixed assets	22/27	193,869,641.61	212,535,235.77
Land and buildings	22	61,207,652.09	64,409,297.05
Plant, machinery and equipment	23	118,027,944.21	129,305,352.38
Furniture and vehicles	24	7,963,147.05	7,593,358.63
Leasing and other similar rights	25		
Other tangible fixed assets	26	110,468.29	116,207.63
Assets under construction and advance payments	27	6,560,429.97	11,111,020.08
Financial fixed assets	28	1,120,273.89	1,054,911.09
Companies accounted for using the equity method	9921	995,535.60	930,706.80
Participating interests	99211	995,535.60	930,706.80
Other enterprises	284/8	124,738.29	124,204.29
Participating interests and shares	284	7,556.58	7,556.58
Amounts receivable	285/8	117,181.71	116,647.71
CURRENT ASSETS	29/58	281,917,349.74	303,745,405.05
Amounts receivable after more than one year	29	539,511.89	841,954.42
Other amounts receivable	291	539,511.89	841,954.42
Stocks and contracts in progress	3	129,724,253.53	141,709,839.24
Stocks	30/36	129,724,253.53	141,709,839.24
Raw materials and consumables	30/31	26,656,976.50	28,754,717.63
Finished goods	33	94,169,395.03	102,287,607.38
Goods purchased for resale	34	8,897,882.00	10,667,514.23
Amounts receivable within one year	40/41	145,454,881.62	159,735,750.71
Trade debtors	40	137,726,544.31	149,881,279.85
Other investments and deposits	41	7,728,337.31	9,854,470.86
Cash at bank and in hand	54/58	4,110,995.61	262,329.99
Deferred charges and accrued income	490/1	2,087,707.09	1,195,530.69
TOTAL ASSETS	20/58	488,455,395.91	528,733,738.87

LIABILITIES

(in €)	Codes	PERIOD 2020	PERIOD 2019
EQUITY	10/15	124,753,796.46	144,179,868.37
Inbreng	10/11	56,268,978.76	53,903,851.26
Capital	10	56,268,947.50	53,903,820.00
Issued capital	100	56,268,947.50	53,903,820.00
Outside the capital	11	31.26	31.26
Share premium account	1100/10	31.26	31.26
Consolidated reserves	9910	66,211,124.43	87,822,172.66
Translation differences	9912	2,579.83	2,579.83
Investment grants	15	2,271,113.44	2,451,264.62
MINORITY INTERESTS	9913		
PROVISIONS, DEFERRED TAXES AND LATENT TAXATION LIABILITIES	16	39,707,647.08	25,211,509.48
Provisions for liabilities and charges	160/5	21,499,785.45	4,336,208.85
Pensions and similar obligations	160	1,911,673.87	2,139,276.07
Other liabilities and charges	164/5	19,588,111.58	2,196,932.78
Deferred taxes	168	18,207,861.63	20,875,300.63
AMOUNTS PAYABLE	17/49	323,993,952.37	359,342,361.02
Amounts payable after more than one year	17	96,600,996.00	101,130,996.00
Financial debts	170/4	95,846,836.00	100,376,836.00
Credit institutions	173	95,846,836.00	100,376,836.00
Other amounts payable	178/9	754,160.00	754,160.00
Amounts payable within one year	42/48	226,623,866.98	257,683,199.58
Current portion of amounts payable after more than one year falling due within one year	42	25,844,842.21	25,496,347.00
Financial debts	43	55,394,033.44	73,753,304.21
Credit institutions	430/8	55,394,033.44	73,753,304.21
Trade debts	44	105,976,217.32	129,684,742.66
Suppliers	440/4	105,976,217.32	129,684,742.66
Advances received on contracts in progress	46	12,768,047.17	3,978,850.66
Taxes, remuneration and social security	45	25,693,111.68	23,653,167.08
Taxes	450/3	3,464,533.19	2,863,289.36
Remuneration and social security	454/9	22,228,578.49	20,789,877.72
Other amounts payable	47/48	947,615.16	1,116,787.97
Accrual and deferred income	492/3	769,089.39	528,165.44
TOTAL LIABILITIES	10/49	488,455,395.91	528,733,738.87

2. Consolidated income statement

(in €)	Codes	PERIOD 2020	PERIOD 2019
Operating income	70/76A	1,240,983,200.65	1,253,200,754.71
Turnover	70	1,235,303,250.21	1,228,865,534.86
Stocks of finished goods, work and contracts in progress: increase (decrease)	71	-8,822,997.93	7,637,650.18
Other operating income	74	13,432,296.75	12,694,526.05
Non-recurring operating income	76A	1,070,651.62	4,003,043.62
Operating charges	60/66A	1,254,863,853.31	1,243,313,034.63
Raw materials, consumables	60	880,938,428.88	915,128,235.67
Purchases	600/8	877,844,907.82	916,077,555.81
Stocks: decrease (increase)	609	3,093,521.06	-949,320.14
Services and other goods	61	172,066,216.65	165,179,225.27
Remuneration, social security costs and pensions	62	129,884,912.84	125,733,932.01
Depreciation of and amounts written off formation expenses, intangible and tangible fixed assets	630	32,363,850.65	32,511,151.78
Amounts written off stocks, contracts in progress and trade debtors: Appropriations (write-backs)	631/4	1,347,982.06	166,799.80
Provisions for liabilities and charges: Appropriations (uses and write-backs)	635/8	69,990.86	-943,028.28
Other operating charges	640/8	4,669,460.76	4,456,173.39
Non-recurring operating charges	66A	33,523,010.61	1,080,544.99
OPERATING PROFIT (OPERATING LOSS)	9901	-13,880,652.66	9,887,720.08
Financial income	75/76B	1,281,624.54	1,812,384.47
Recurring financial income	75	1,281,624.54	1,812,384.47
Income from financial fixed assets	750		
Income from current assets	751	29,099.34	56,748.98
Other financial income	752/9	1,252,525.20	1,755,635.49
Financial charges	65/66B	9,700,925.16	7,157,911.73
Recurring financial charges	65	9,700,925.16	7,157,911.73
Debt charges	650	4,339,216.57	4,855,341.43
Amounts written off positive consolidation differences	9961		
Other financial charges	652/9	5,361,708.59	2,302,570.30
Non-recurring financial charges	66B		
GAIN (LOSS) FOR THE PERIOD BEFORE TAXES	9903	-22,299,953.28	4,542,192.82

	Codes	PERIOD 2020	PERIOD 2019
Transfer from deferred taxes and latent taxation liabilities	780	2,667,439.00	1,106,220.76
Transfer to deferred taxes and latent taxation liabilities	680		2,258,649.14
Income taxes	67/77	953,416.15	962,183.20
Taxes	670/3	1,382,842.72	1,025,707.73
Adjustment of income taxes and write-back of tax provisions	77	429,426.57	63,524.53
GAIN (LOSS) FOR THE PERIOD	9904	-20,585,930.43	2,427,581.24
Share in the result of the companies accounted for using the equity method	9975	64,828.80	119,859.60
Profits	99751	64,828.80	119,859.60
CONSOLIDATED RESULT	9976	-20,521,101.63	2,547,440.84
Of which:			
Share of third parties	99761		
Share of the group	99762	-20,521,101.63	2,547,440.84



3. Notes on the consolidated annual accounts

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

NAME, full address of the REGISTERED OFFICE and for the enterprise governed by Belgian law, the COMPANY NUMBER	Method used (1)	Proportion of capital held (2) (in %)	Change of percentage of capital held (as compared to the previous period)
Milcobel 3F - BE 0424.899.491 - Cooperative company with limited liability Fabriekstraat 141, 9120 Kallo (Beveren-Waas), 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
Kaasimport Dupont - BE 0405.109.216 - Public limited company Lieven Bauwensstraat 9, 8200 Sint-Andries, 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 - Cedex, France	F	100.00	0.00
Ysco holding France sas Rue de la Gare 3087, 59299 Boeschepe, Belgium	F	100.00	0.00
Belgomilk - BE 0870.017.447 Cooperative company with limited liability Fabriekstraat 141, 9120 Kallo (Beveren-Waas), Belgium	F	100.00	0.00

NAME, full address of the REGISTERED OFFICE and for the enterprise governed by Belgian law, the COMPANY NUMBER	Method used (1)	Proportion of capital held (2) (in %)	Change of percentage of capital held (as compared to the previous period)
Camal - BE 0412.859.912 - Public limited company Route de Légipont 12, 4671 Barchon, Belgium	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
Dupontcheese Nederland b.v. Escudoweg 1, 2153 PC Nieuw-Vennep, The Netherlands	F	100.00	0.00
Milcobel Asia LTD. 21/F Edinburgh Tower The Landmark 15 QUEEN'S RD CENTRAL, Hongkong	F	100,00	100,00

(1) F: Full consolidation

E4: Joint subsidiary enterprise accounted for using the equity method where its activities cannot be closely integrated into the activities of the enterprise having the joint control (article 134, second al. of the aforementioned Royal Decree).

(2) Proportion of capital of those enterprises being held by the enterprises included in the consolidated accounts and persons acting in their own names but on behalf of 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) (Pursuant to Article 3:156, I. of the Royal Decree of 29 april 2019 in implementation of Company and Association Law).

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 af?liated companies have been valued and included in the accounts using the equity method.

Information which makes a comparaisou 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) (Pursuant to Article 3:102 of aforementioned Royal Decree).

3. Valuation rules

Specification of the criteria of signicative 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

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 five-year period. 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. 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: are included from financial year 2019 and at acquisition value according to weighted average. This has an impact of 8.1 million euros.
- 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;
 - o acquisition value according to FIFO method or lower market value on balance sheet date for liquid dairy produce;
 - o 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;
 - o 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.

Accounts receivable within one year

Accounts receivable are included at nominal value. Write downs are booked to these accounts receivable when their collectability 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.



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.

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 (deferral method, liability method, ...)

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 iPLCestment grants and untaxed gains values included in the company's equity capital.

FUTURE TAXATION AND DEFERRED TAXES

Analysis of Heading 168 of the liabilities

Future taxation (*Pursuant to article 3:54 of the Royal Decree of 29 april 2019 in implementation of Company and Association Law*)

Deferred taxes (*Pursuant to article 3:119 of aforementioned Royal Decree*)

(code 168)

18,207,861.63

18,207,861.63

5. Statement of intangible fixed assets

	CONCESSIONS, PATENTS, LICENCES, KNOWHOW, BRANDS AND SIMILAR RIGHTS (code 211)	GOODWILL (code 212)	ADVANCE PAYMENTS (code 213)
Acquisition value at the end of the previous period	27,555,238.17	7,033,113.27	4,055,625.02
Movements during the period			
Acquisitions, including produced fixed assets			2,793,834.40
Sales and disposals	70,092.81		0
Transfers from one heading to another	2,989,326.21		-2,989,326.21
Other movements			181,088.00
Acquisition value at the end of the period	30,474,471.57	7,033,113.27	4,041,221.21
Depreciation and amounts written down at the end of the previous period	20,212,676.23	7,033,113.27	
Movements during the period			
Recorded	2,780,747.81		
Transferred from one heading to another			
Cancelled	25,861.93		
Other movements			
Depreciation and amounts written down at the end of the period	22,967,562.11	7,033,113.27	
NET BOOK VALUE AT THE END OF THE PERIOD	7,506,909.46		4,041,221.21

6. 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 previous period	131,014,718.36	458,320,991.09	40,483,510.39
Movements during the period			
Acquisitions, including produced fixed assets			
Sales and disposals	564,217.37	1,908,245.69	1,345,155.23
Transfers from one heading to another	1,419,479.64	15,086,101.13	3,511,990.56
Other movements			
Acquisition value at the end of the period	131,869,980.63	471,498,846.53	42,650,345.72
Depreciation and amounts written down at the end of the previous period	66,605,421.31	329,015,638.71	32,890,151.76
Movements during the period			
Recorded	4,263,904.12	25,931,316.09	3,029,143.29
Cancelled	206,996.89	1,476,052.48	1,232,096.38
Transferred from one heading to another			
Other movements			
Depreciation and amounts written down at the end of the period	70,662,328.54	353,470,902.32	34,687,198.67
NET BOOK VALUE AT THE END OF THE PERIOD	61,207,652.09	118,027,944.21	7,963,147.05

	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	778,991.14	11,111,020.08
Movements during the period			
Acquisitions, including produced fixed assets			15,998,177.22
Sales and disposals			350,108.00
Transfers from one heading to another			-20,017,571.33
Other movements			-181,088.00
Acquisition value at the end of the period	25,978.84	778,991.14	6,560,429.97
Depreciation and amounts written down at the end of the previous period	25,978.84	662,783.51	
Movements during the period			
Recorded		5,739.34	
Cancelled			
Transferred from one heading to another			
Other movements			
Depreciation and amounts written down at the end of the period	25,978.84	668,522.85	
NET BOOK VALUE AT THE END OF THE PERIOD		110,468.29	6,560,429.97

7. Statement of financial fixed assets

	ENTERPRISES ACCOUNTED FOR USING THE EQUITY METHOD (code 280)	OTHER ENTERPRISES (code 282 and code 283)
Participations		
Acquisition value at the end of the previous period	743,829.90	7,556.58
Movements during the period		
Sales and disposals		
Acquisitions		
Acquisition value at the end of the period	743,829.90	7,556.58
Movements during the period		
Recorded		
Cancelled		
Movements in the capital and reserves at the end of the previous period using the equity method	186,876.90	
Movements during the period		
Share in the result for the financial period	64,828.80	
Other movements in the capital and reserves		
Movements in the capital and reserves at the end of the period using the equity method	251,705.70	
NET BOOK VALUE AT THE END OF THE PERIOD	995,535.60	7,556.58
Amounts receivable		
Net book value at the end of the previous period		116,647.71
Movements during the period		
Additions		534.00
Repayments		
Other		
NET BOOK VALUE AT THE END OF THE PERIOD		117,181.71

8. Statement of consolidated reserves

CONSOLIDATED RESERVES		(code 9910)
Consolidated reserves at the end of the previous period		87,822,172.66
Movements during the period:		
Shares of the group in the consolidated income		-20,521,101.63
Other movements		-1,089,946.60
Dividends		-1,089,946.60
CONSOLIDATED RESERVES AT THE END OF THE PERIOD		66,211,124.43

9. Statement of amounts payable

BREAKDOWN OF AMOUNTS PAYABLE WITH AN ORIGINAL PERIOD TO MATURITY OF MORE THAN ONE YEAR, ACCORDING TO THEIR RESIDUAL TERM	DEBTS WITHIN ONE YEAR (code 42)	BETWEEN ONE AND FIVE YEARS (code 17)	OVER FIVE YEARS (code 17)
Financial debts	25,594,842.21	75,813,500.00	20,033,336.00
Credit institutions	25,594,842.21	75,813,500.00	20,033,336.00
Other amounts payable	250,000.00	754,160.00	
TOTAL	25,844,842.21	76,567,660.00	20,033,336.00



10. Net turnover

NET TURNOVER			PERIOD 2020	PERIOD 2019
Aggregate turnover of the group in Belgium			343,935,955.87	295,151,043.22
AVERAGE NUMBER OF PERSONS EMPLOYED AND PERSONNEL CHARGES			PERIOD 2020	PERIOD 2019
Consolidated enterprises and fully consolidated enterprises				
Average number of persons employed (in units)			1,881	2,014
Workers			1,413	1,497
Employees			456	505
Management personnel			12	12
Other persons				
Personnel costs				
Remuneration, social security costs			129,628,913.41	125,411,144.43
Pensions			255,999.43	322,787.58
Average number of persons employed in Belgium by the enterprises concerned			1,719	1,822
NON-RECURRING INCOME			PERIOD 2020	PERIOD 2019
Non-recurring operating income			1,070,651.62	4,003,043.62
Capital gains on disposal of intangible and tangible fixed asset			139,176.33	2,216,567.71
Other non-recurring operating income			931,475.29	1,786,475.91
NON-RECURRING EXPENSES			PERIOD 2020	PERIOD 2019
Non-recurring operating charges			33,523,010.61	1,080,544.99
Non-recurring depreciation of and amounts written off formation expenses, intangible and tangible fixed assets			3,647,000.00	
Capital losses on disposal of intangible and tangible fixed assets			699,379.81	79,283.14
Other non-recurring operating charges			29,176,630.80	1,001,261.85
Of which : costs related to closure Schoten			21,373,053.89	

INCOME TAXES	PERIOD 2020	PERIOD 2019
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	-17,876,136.88	

11. Rights and commitments not reflected in the balance sheet

RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET	PERIOD 2020
Commitments to exchange rates	11,406,172.35
Amount, nature and form concerning litigation and other important commitments <ul style="list-style-type: none"> - Taking into account the refinancing after year-end, we can state that all covenants were respected. - Minimum guaranteed turnover 2021 of K Eur 5,966 for external storage. - Long term agreement of nine years with obligation to buy Alpla bottles, with possibility of termination (early termination fee) - Terminated 05/04/2021 by letter and email dd 05/10/2020. - Commitment to purchase raw materials and packaging for K EUR 75,896 	
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. <p>The company has contracted a group insurance policy for its employees and managers with a Belgian insurance company.</p> <p>The costs are partially supported by the company and partially by the concerned person.</p>	
Nature and financial impact of significant events after the closing date	nihil

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

AFFILIATED ENTERPRISES	PERIOD 2020	PERIOD 2019
Financial fixed assets <ul style="list-style-type: none"> Participating interests and shares 	995,535.60	930,706.80
Transactions with enterprises linked by participating interests out of market conditions	nihil	nihil

13. Financial relationships with

DIRECTORS, INDIVIDUALS OR BODIES CORPORATE FROM THE CONSOLIDATED ENTERPRISES				PERIOD 2020
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.				1,192,363.21
AUDITORS OR PEOPLE THEY ARE LINKED TO				PERIOD 2020
Auditor's fees according to a mandate at the group level led by the company publishing the information				109,150.00
Auditor's fees for exceptional services or special missions executed in the groups companies Other missions external to the audit				2,805.00
Fees to people auditors are linked to according to the mandate at the group level led by the company publishing the information				22,000.00
Fees to people auditors are linked to for the execution of exceptional services or special missions executed in the group's companies Tax consultancy				61,986.00

14. Derivatives not measured at fair value

For each category of 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	79426668	0.00	2,910,534.21	0.00	3,713,188.21



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B. Other documents to be filed under Belgian company law

1. Consolidated Annual Accounts 2020

In accordance with legal and statutory obligations, we are delighted to report the consolidated annual accounts of Milcobel CV as on December 31, 2020.

ASSETS

II. INTANGIBLE FIXED ASSETS (11,548,131 EUROS)

These concern mainly investments in software (1.7 million euros) and the purchase of greenhouse gas allowances.

III. TANGIBLE FIXED ASSETS (193,869,642 EUROS)

The investments for the financial year amount to 16 million euros.

V. FINANCIAL FIXED ASSETS (1,120,274 EUROS)

Companies with a participating interest (995,536 euros) are related to Héritage 1466 SA.

VII. STOCK (129,724,254 EUROS)

Stock represents 27% of the balance sheet total and have decreased with 8% compared to last year. The main reason for the drop is the milk price valuation.

VIII. AMOUNTS RECEIVABLE WITHIN 1 YEAR (145,454,881 EUROS)

The amounts receivable have decreased with 9% compared to last year.

LIABILITIES

IX. PROVISIONS AND DEFERRED TAXATION (39,707,647 EUROS)

A provision is made for the socially passive in Schoten. The item deferred taxation is due to the difference between the business economic and fiscal valuation of tangible fixed assets.

X. DEBTS OVER MORE THAN ONE YEAR (96,600,996 EUROS)

The financial debts mainly relate to fixed credits entered into with various banks. No new loans were taken out in 2020, and 4.2 million euros were repaid.

XI. DEBTS OVER MAXIMUM 1 YEAR (226,623,866 EUROS)

The debts have decreased with 12% compared to last year.

RESULTS

I. & II. OPERATING RESULTS

Sales achieved in the year 2020 amount to 1,235 million euros.

The turnover can be split as follows:

- 939 million realised from dairy activities.
- 296 million realised from ice cream activities.

IV. & V. FINANCIAL RESULTS

Debt servicing costs have increased compared to the previous year.

EVENTS AFTER BALANCE SHEET DATE

Since mid-March 2020, the global dairy market has been in the grip of the corona crisis. Milcobel was not spared: where the supply of member milk continued to grow, the sales opportunities for powder and mozzarella were greatly reduced. In addition, the prices of all processed products (powder, cream, butter and even mozzarella) plummeted. Due to the higher valorisation of cheddar, the production of mozzarella was temporarily reduced and we produced slightly more cheddar. The closure of the catering and food service worldwide resulted in a decline in turnover. In addition, we encountered serious logistical problems on our export markets due to the lack of available containers (and the price increasing exponentially by a factor of 3 or more).

On September 9, 2020, Milcobel announced its intention to close the Drinks department in Schoten. This meant a closure of the production unit in Schoten, as well as the phasing out of the support services in Schoten and Bruges. The sale of drinking milk in glass bottles, which is commercialized under the Inza brand and not produced in Schoten, falls outside the scope of this announcement.

The closure of the site in Schoten is part of the Transformation process that started at the beginning of 2020, which is looking at possible improvement and savings potential with the aim of further strengthening the position and profitability of the cooperative, and increasing the milk price for the member dairy farmers. Milcobel's Drinks business

has been loss-making for years. The production plant in Schoten was very outdated and the investments that were necessary were not feasible due to the structurally declining market demand and the low / negative margins. In addition, the corona crisis has proven that more volume does not have a positive effect on profitability.

The closure of the Drinks department meant the loss of 157 jobs. Milcobel Schoten officially closed its doors on 26 March 2021. This puts an end to a part of our company's history. The Inza and Incolac brands will be further commercialized in collaboration with a third party. Interested parties are being sought for the acquisition of the Yogho Yogho, Choco Choco and Lilac brands.

On March 12, 2021, a long-term financing agreement was signed between Milcobel, KBC, BNP Paribas Fortis, ING and Belfius. The size of this financing agreement is 166.10 million euros, which guarantees long-term financing. The Facilities have a tenor of 5 years. Milcobel will use the Facilities for the repayment of its COVID-19 facilities, capital expenditure, potential acquisitions and for general corporate and working capital purposes.

FINANCIAL TOOLS

The exchange risk for significant sales contracts agreed in foreign currency is covered by currency contracts. A great deal of the short-term interest bearing debts are covered by interest covers aiming at reducing the impact of interest variations. Most of the long-term interest bearing debts are covered at fixed interest rates.

RESEARCH AND DEVELOPMENT

Existing research and development activities are continued in the various divisions.

RISKS AND UNCERTAINTIES

In addition to general business risks, the Milcobel group is facing risks specifically associated with a dairy business. Calamities could be the cause of serious disruption in milk supplies and the production and sales process. This risk is limited by the introduction of a quality assurance system (DQA).

Kallo, 16 March 2021

B. Eeckhaut
President

L. Van Laer
Director

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 2020

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. 16 June 2020, 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 2020. We have performed the statutory audit of the Company's consolidated accounts for 13 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 2020, 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 488,455,395.91 and a consolidated profit and loss account showing a consolidated loss for the year of EUR 20,585,930.43.

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 2020, 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.

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.

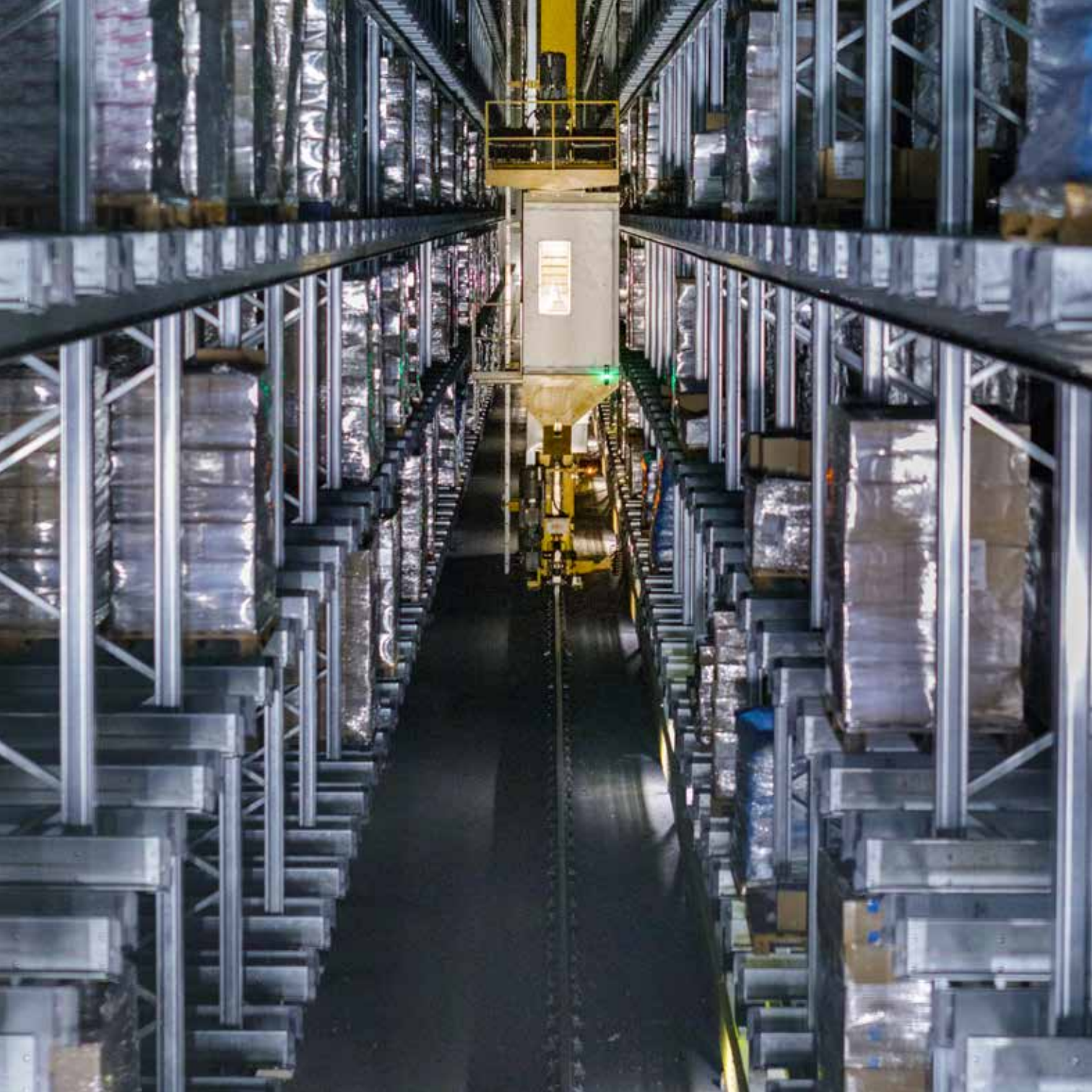
Statement related to independence

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.

Gent, 28 april 2021

The statutory auditor
PwC Reviseurs d'Entreprises SRL
PwC Bedrijfsrevisoren BV

Represented by Peter Opsomer, Réviseur d'Entreprises / Bedrijfsrevisor



D. Consolidated cash flow

(in €)	PERIOD 2020	PERIOD 2019
A. OPERATING ACTIVITIES		
consolidated result, share of group	-20,521,101.63	2,547,440.84
third party share	0.00	0.00
depreciation of fixed assets	36,010,850.65	32,511,151.78
provisions	17,163,576.60	-943,028.28
depreciation of positive consolidation differences	0.00	0.00
deferred taxes	-2,667,439.00	1,152,428.36
<i>= cash flow</i>	<i>29,985,886.62</i>	<i>35,267,992.70</i>
movement in stocks	11,985,585.71	-8,605,036.64
movement in trade accounts receivable	12,154,735.54	20,292,177.17
movement in other accounts receivable	2,126,133.55	1,176,649.63
movement in trade debts	-23,708,525.34	-25,947,013.99
movement in other debts	10,659,968.30	-1,157,143.53
movement in accrued and deferred accounts	-651,252.45	-352,918.22
<i>= movement in requirement for working capital</i>	<i>12,566,645.31</i>	<i>-14,593,285.58</i>
NET CASH FLOW FROM OPERATING ACTIVITIES	42,552,531.93	20,674,707.12
B. INVESTMENT ACTIVITIES		
additions of intangible fixed assets	-4,427,154.38	-6,046,899.28
additions of tangible fixed assets	-16,028,177.22	-15,730,028.12
adjustment of intangible fixed assets	1,663,319.98	1,700,512.10
reclassifications of intangible fixed assets	-166,857.12	3,510.45
reclassifications of tangible assets	1,463,668.54	362,170.30
movements in financial fixed assets	-65,362.80	-120,627.96
NET CASH FLOW FROM INVESTMENT ACTIVITIES	-17,560,563.00	-19,831,362.51

	PERIOD 2020	PERIOD 2019
C. FINANCING ACTIVITIES		
increase of investment loans	0.00	1,004,160.00
repayment of financial debts	-4,181,504.79	-26,625,507.00
movement in other long-term debts	0.00	754,160.00
movement in other long-term receivables	302,442.53	420,517.07
movement in shareholders' equity	2,184,976.32	1,798,545.42
movement in minority interests	0.00	0.00
paid dividends	-1,089,946.60	-1,926,085.72
NET CASH FLOW FROM FINANCING ACTIVITIES	-2,784,032.54	-24,574,210.23
= NET CASH (A+B+C)	22,207,936.39	-23,730,865.62
+ OPENING CASH	-73,490,974.22	-49,760,108.60
= CLOSING CASH (*)	-51,283,037.83	-73,490,974.22

(*) cash = 'deposits' + 'cash at bank' + 'short-term financial debts to credit institutions'

Milcobel CV

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Ed. june 2021

