Mille International ApS

Langebjerg 3, 4000 Roskilde

CVR no. 39 70 52 06

Annual report 2020

Approved at the Company's annual general meeting on 28 June 2021

Chair of the meeting:

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Wei Qing Wang

Contents

Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Mille International ApS for the financial year 1 January - 31 December 2020.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2020 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2020.

Further, in my opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

I recommend that the annual report be approved at the annual general meeting.

Roskilde, 28 June 2021
Executive Board:

Wei Qing Wang
CEO

Independent auditor's report

To the shareholders of Mille International ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Mille International ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent Company financial statements" (herinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements 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 and the additional requirements applicable in Denmark 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 the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, 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 and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements 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 and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient 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 those charged with governance 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 28 June 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Ole Hedemann
State Authorised Public Accountant
mne14949

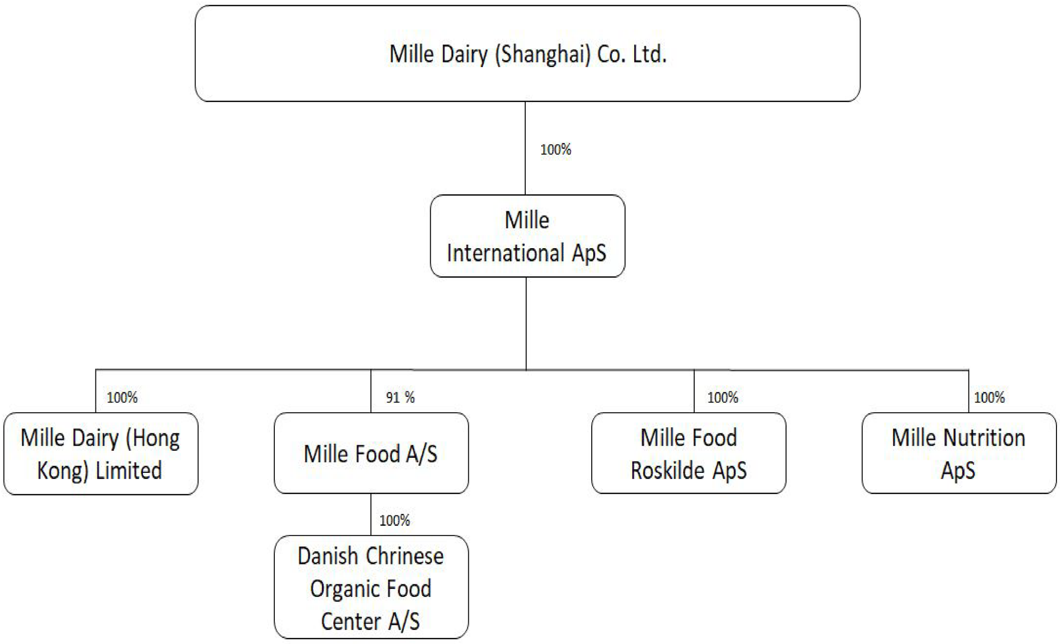
Management's review

Company details

Name	Mille International ApS
Address, Postal code, City	Langebjerg 3, 4000 Roskilde
CVR no.	39 70 52 06
Established	5 July 2018
Registered office	Roskilde
Financial year	1 January - 31 December
Executive Board	Wei Qing Wang, CEO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Group chart



Management commentary

Business review

The company is a holding company for Mille Group in Denmark, also a shared service center consisting of central functions such as Group Management, International Sales, R&D and Finance.

Financial review

The income statement for 2020 shows a profit of DKK 4,170 thousand against a loss of DKK 27,764 thousand last year, and the group's balance sheet at 31 December 2020 shows equity of DKK 14,709 thousand. In the annual report for 2018/19, Management expected a profit in the range of DKK 15,000 thousand. Management considers the group's financial performance in the year satisfactory.

Management's review

Financial risks and use of financial instruments

The company is a holding company in Denmark, and the group management has a high focus on its subsidiaries' risks and mitigation plans, especially its biggest subsidiary, Mille Food A/S.

Mille Food A/S is a manufacturer of infant formula and mainly export towards the Chinesemarket. The opportunities and risks which relate to this specific market have the full attention from the factory management.

The Chinese market of infant formula is not only the largest in the World, but indeed the market with the fiercest competition and largest political attention. Any changes in the Chinese market consumer behavior e.g. following covid-19 could influence future forecasts.This can be both a risk and an opportunity.

In addition, new Chinese political measurements and standards directed towards infantformula production abroad are continuously being implemented and dictates the overall legislative framework for any factory producing infant formula to the Chinese market.

Events after the balance sheet date

No events materially affecting the Group's and the Company's financial position have occurred subsequent to the financial year-end.

Outlook

TThe Company´s revenue for 2021 is expected to be affected by the Covid-19 situation, so the revenue will be below the 2020 numbers. On this basis, a profit in the range of DKK 3-5 MDKK is expected for 2021. The expectations are based on the assumption that the exchange rates for the currencies to which the company is exposed will remain unchanged.

The total cash generated from operations is expected to be influenced by the lower profit and the investments in the new productive capacity for the future are to be handled within the present financial structure.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

		Group		Parent company	
Note	DKK'000	2020 12 months	2018/19 18 months	2020 12 months	2018/19 18 months
	Gross profit	66,990	25,804	3,731	6,113
2	Staff costs	-42,407	-45,533	-12,316	-15,320
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-8,506	-6,836	-46	-31
	Profit/loss before net financials	16,077	-26,565	-8,631	-9,238
3	Financial income	326	43	1,744	724
4	Financial expenses	-10,990	-8,751	-3,208	-1,104
	Profit/loss before tax	5,413	-35,273	-10,095	-9,618
5	Tax for the year	-1,243	7,509	2,221	2,108
	Profit/loss for the year	4,170	-27,764	-7,874	-7,510
	Recommended appropriation of profit/loss				
	Retained earnings/accumulated loss			-7,874	-7,510
				-7,874	-7,510

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

		Group		Parent company	
Note	DKK'000	2020	2018/19	2020	2018/19
	ASSETS				
	Fixed assets				
6	**Intangible assets**				
	Acquired intangible assets	381	427	381	427
	Goodwill	5,595	6,287	0	0
	Development projects in progress and prepayments for intangible assets	2,417	923	1,040	0
		8,393	7,637	1,421	427
7	**Property, plant and equipment**				
	Land and buildings	39,697	41,200	0	0
8	Investment property	45,875	45,814	0	0
	Plant and machinery	45,622	51,193	0	0
		131,194	138,207	0	0
9	**Investments**				
	Investments in group enterprises	0	0	73,425	32,625
	Deposits, investments	31	31	0	0
		31	31	73,425	32,625
	Total fixed assets	139,618	145,875	74,846	33,052
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	11,026	9,777	0	0
	Finished goods and goods for resale	11,415	44,378	0	0
		22,441	54,155	0	0
	Receivables				
	Trade receivables	1,556	13,758	0	0
	Receivables from group enterprises	25,215	780	1,375	51,944
10	Deferred tax assets	8,598	9,840	4,329	2,108
12	Other receivables	1,829	3,172	0	0
11	Prepayments	47	313	0	313
		37,245	27,863	5,704	54,365
	Cash	13,657	9,190	1,163	3,221
	Total non-fixed assets	73,343	91,208	6,867	57,586
	TOTAL ASSETS	212,961	237,083	81,713	90,638

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group 2020	Group 2018/19	Parent company 2020	Parent company 2018/19
	EQUITY AND LIABILITIES				
	Equity				
13	Share capital	32,500	32,500	32,500	32,500
	Reserve for development costs	1,074	720	0	0
	Retained earnings	-25,394	-25,673	-15,384	-7,510
	Shareholders in Mille International ApS' share of equity	8,180	7,547	17,116	24,990
	Non-controlling interests	6,529	3,652	0	0
	Total equity	14,709	11,199	17,116	24,990
	Provisions				
	Liabilities other than provisions				
	Non-current liabilities other than provisions				
	Bank debt	21,233	21,995	0	0
	Deposits	2,000	0	0	0
		23,233	21,995	0	0
	Current liabilities other than provisions				
	Short-term part of long-term liabilities other than provisions	9,557	7,677	0	0
	Bank debt	27,418	26,573	0	0
	Trade payables	26,457	64,211	759	683
	Payables to group enterprises	98,467	97,966	59,059	61,370
	Other payables	13,120	7,462	4,779	3,595
		175,019	203,889	64,597	65,648
		198,252	225,884	64,597	65,648
	TOTAL EQUITY AND LIABILITIES	212,961	237,083	81,713	90,638

1 Accounting policies
14 Contractual obligations and contingencies, etc.
15 Collateral
16 Related parties

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

	Group					
DKK'000	Share capital	Reserve for development costs	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January 20	32,500	720	-25,673	7,547	3,652	11,199
Additions on merger/corporate acquisition	0	0	-3,537	-3,537	1,592	-1,945
Transfer through appropriation of profit	0	354	3,816	4,170	1,285	5,455
Equity at 31 December	32,500	1,074	-25,394	8,180	6,529	14,709

	Parent company		
DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2020	32,500	-7,510	24,990
Transfer through appropriation of loss	0	-7,874	-7,874
Equity at 31 December 2020	32,500	-15,384	17,116

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

Note	DKK'000	Group 2020 12 months	Group 2018/19 18 months
	Profit/loss for the year	4,170	-27,764
17	Adjustments	20,413	8,044
	Cash generated from operations (operating activities)	24,583	-19,720
18	Changes in working capital	-9,593	-4,995
	Cash generated from operations (operating activities)	14,990	-24,715
	Interest received, etc.	326	43
	Interest paid, etc.	-10,953	-8,760
	Cash flows from operating activities	**4,363**	**-33,432**
	Additions of intangible assets	-1,494	-1,047
	Additions of property, plant and equipment	-756	-77,277
	Disposals of property, plant and equipment	2,644	0
	Purchase of financial assets	0	-32,125
	Deposits received	2,000	0
	Cash flows to investing activities	**2,394**	**-110,449**
	Proceeds of debt to credit institutions	4,000	19,863
	Proceeds of debt, group enterprises	0	75,416
	Repayments, debt to credit institutions	-6,290	0
	Cash capital increase	0	32,500
	Cash flows from financing activities	**-2,290**	**127,779**
	Net cash flow	**4,467**	**-16,102**
	Cash and cash equivalents at 1 January	9,190	0
	Increase (decrease) of cash and cash equivalents before effect of exchange rate changes	0	25,292
19	**Cash and cash equivalents at 31 December**	**13,657**	**9,190**

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Mille International ApS for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Changes in accounting policies

During the year management has reassessed the purpose of the property in Roskilde, and consequently it is now recognised as an investment property. The effect of the change has no impact on the opening balances and comparative figures. The effect will have an effect on future periods, where the property is recognised at fair value and not cost less depreciations.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Consolidated financial statements

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, contributions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Gross profit

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The cost net of the expected residual value for completed development projects and acquired IP rights is amortised over the expected useful life. Acquired IP rights include patents, rights and licences.

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which has been assessed to 10 years.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	15 years
Goodwill	10 years
Land and buildings	25 years
Plant and machinery	3-10 years

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is has been assessed to 10 years.

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Investment property

On initial recognition, investment property is measured at cost. Investment property is subsequently measured at fair value, and the value adjustment for the year is recognised in the income statement under the item "Fair value adjustment of investment property". The fair value is based on the expected future cash flows for the investment property.

Investments in subsidiaries

Equity investments in subsidiaries and associates are measured according to the equity method. Equity investments in joint ventures are also measured according to the equity method in the consolidated financial statements.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

		Group		Parent company	
	DKK'000	2020 12 months	2018/19 18 months	2020 12 months	2018/19 18 months
2	**Staff costs**				
	Wages/salaries	36,111	39,263	10,188	12,983
	Pensions	5,544	5,779	2,009	1,869
	Other social security costs	392	528	61	51
	Other staff costs	814	1,243	58	417
	Staff costs transferred to non-current assets	-454	-1,280	0	0
		42,407	45,533	12,316	15,320

	Group		Parent company	
	2020	2018/19	2020	2018/19
Average number of full-time employees	61	65	12	9

Group

Total remuneration to group Management : DKK 5,272 thousand (2019: DKK 908 thousand)

Parent company

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

		Group 2020	Group 2018/19	Parent company 2020	Parent company 2018/19
3	**Financial income**				
	Interest receivable, group entities	0	0	1,744	724
	Exchange adjustments	98	0	0	0
	Other financial income	228	43	0	0
		326	43	1,744	724
4	**Financial expenses**				
	Interest expenses, group entities	3,316	2,002	3,116	992
	Interest expenses, associates	0	0	0	13
	Other interest expenses	6,728	3,748	0	0
	Exchange losses	61	530	0	99
	Other financial expenses	885	2,471	92	0
		10,990	8,751	3,208	1,104

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

		Group		Parent company	
	DKK'000	2020 12 months	2018/19 18 months	2020 12 months	2018/19 18 months
5	**Tax for the year**				
	Estimated tax charge for the year	1	0	0	0
	Deferred tax adjustments in the year	1,242	-7,509	-2,221	-2,108
		1,243	-7,509	-2,221	-2,108

6 **Intangible assets**

	Group			
DKK'000	Acquired intangible assets	Goodwill	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2020	458	6,287	923	7,668
Additions	0	0	1,494	1,494
Cost at 31 December 2020	458	6,287	2,417	9,162
Impairment losses and amortisation at 1 January 2020	31	0	0	31
Amortisation for the year	46	692	0	738
Impairment losses and amortisation at 31 December 2020	77	692	0	769
Carrying amount at 31 December 2020	381	5,595	2,417	8,393

	Parent company		
DKK'000	Acquired intangible assets	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2020	458	0	458
Additions	0	1,040	1,040
Cost at 31 December 2020	458	1,040	1,498
Impairment losses and amortisation at 1 January 2020	31	0	31
Amortisation for the year	46	0	46
Impairment losses and amortisation at 31 December 2020	77	0	77
Carrying amount at 31 December 2020	381	1,040	1,421

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

7 Property, plant and equipment

	Group			
DKK'000	Land and buildings	Investment property	Plant and machinery	Total
Cost at 1 January 2020	43,136	45,814	59,573	148,523
Additions	185	61	510	756
Disposals	0	0	-2,644	-2,644
Cost at 31 December 2020	43,321	45,875	57,439	146,635
Impairment losses and depreciation at 1 January 2020	1,936	0	8,380	10,316
Depreciation	1,688	0	3,437	5,125
Impairment losses and depreciation at 31 December 2020	3,624	0	11,817	15,441
Carrying amount at 31 December 2020	39,697	45,875	45,622	131,194

Note 15 provides more details on security for loans, etc. as regards property, plant and equipment.

8 Investment property

Group

The Group Group invests in rental property. Investment property is recognised at fair value with value adjustment over the income statement, see the provisions in section 38 of the Danish Financial Statements Act.

Fair value estimation

The fair value of investment property is estimated for every single property on the basis of the budget for the coming year, adjusted for fluctuations of a one-off nature. This, adjusted budget reflects ‘normalised’ results of operations and is used in combination with a relevant yield requirement to estimate the fair value based on a yield-based model.

The most significant fair value assumption is the average yield requirement (8.7% for 2020).

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9 Investments

Group

Name	Legal form	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Subsidiaries					
Mille Food	A/S	Hundested	91.00%	72,694	14,058
Mille Food Roskilde	ApS	Roskilde	100.00%	-7,346	-1,675
Mille Nutrition	ApS	Roskilde	100.00%	223	-39
Danish Chinese Organic Food Center	A/S	Hundested	91.00%	1,556	-66
Mille Dairy	Limited	Hong Kong	100.00%	14	14

10 Deferred tax assets

Group

As at 31 December 2020, the company has recognised a deferred tax asset of DKK 8,598 thousand. The tax asset is composed of tax loss carryforwards and unutilised tax deductions consistingof timing differences. Management believes that the tax asset is likely to be offset against future taxable income.

11 Prepayments

Group

Prepayments include accrual of expenses relating to subsequent financial years.

	Group		Parent company	
DKK'000	2020	2018/19	2020	2018/19
12 Other receivables				
Other receivables	1,829	3,172	0	0
	1,829	3,172	0	0

13 Share capital

The parent's share capital has remained DKK 32,500 thousand in the past year.

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14 Contractual obligations and contingencies, etc.

Parent company

As management company, the Company is jointly taxed with other Danish group entities. The Company is jointly and severally with other jointly taxed group entities for payment of income taxes and withholding taxes in the group of jointly taxed entities.

15 Collateral

Group

The company has issued mortgage deeds registered to the mortgagor in the total amount of DKK 83,820 thousand secured upon land & buildings with a carrying amount of DKK 85,738 thousand.

As collatoral for the Groups debt to credit institutions, a company charge of DKK 20,000 thousand has been provided comprising intangible assets, trade receivables, other receivables, inventories and plant and machinery. The total carrying amount of the comprised assets is DKK 110,175 thousand.
The Group has chattel mortgage with security of up to DKK 20,000 thousand in plant and machinery with a carrying amount of DKK 48,266 thousand.

Parent company

The Company has issued a unlimited guarantee for Mille Food Roskilde ApS's payables to a credit institution. The payable to credit institution at 31 December 2020 amounts to DKK 14,780 thousand.

16 Related parties

Group

Mille International ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Mille Dairy (Shanghai) Co. Ltd.	Shanghai	Ultimate Parent
Wei Qing Wang	Charlottenlund	Beneficial owner

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Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Mille Dairy (Shanghai) Co. Ltd.	Shanghai	By contacting the entity.

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16 Related parties (continued)

Related party transactions

DKK'000	2020	2018/19
Group		
Sales to group enterprises	267,603	195,949
Financial expenses to group enterprises	3,316	2,002
Receivables from group enterprises	25,215	780
Payables to group enterprises	98,467	97,966
Parent Company		
Management fees to group enterprises	5,321	8,106
Financial income from group enterprises	1,744	724
Financial expenses to group enterprises	3,316	1,005
Receivables from group enterprises	1,375	51,944
Payables to group enterprises	59,059	61,370

17 Adjustments

Amortisation/depreciation and impairment losses	8,506	6,836
Financial income	-326	-43
Financial expenses	10,990	8,760
Tax for the year	1,243	-7,509
	20,413	8,044

18 Changes in working capital

Change in inventories	31,714	-31,114
Change in receivables	-9,382	-6,318
Change in trade and other payables	-31,925	32,437
	-9,593	-4,995

19 Cash and cash equivalents at year-end

Cash according to the balance sheet	13,657	9,190
	13,657	9,190