

Kosan Gas A/S

Hasselager Centervej 19-21, 8260 Viby J

CVR no. 17 99 09 77

Annual report

for the year 1 October 2019 - 30 September 2020

Approved at the Company's annual general meeting on 21 December 2020

Chairman:



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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Kosan Gas A/S for the financial year 1 October 2019 - 30 September 2020.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 September 2020 and of the results of the Company's operations for the financial year 1 October 2019 - 30 September 2020.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Aarhus, 21 December 2020
Executive Board:



Beth Amanda Reid

Board of Directors:

Paul Michael Ladner
Chairman

Marie-Dominique Cecile
Ortiz-Landazabal



Beth Amanda Reid

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Aarhus, 21 December 2020
Executive Board:

Beth Amanda Reid

Board of Directors:

Paul Michael Ladner
Chairman



Marie Dominique Ceclie
Ortiz-Landazabal

Beth Amanda Reid

Independent auditor's report

To the shareholders of Kosan Gas A/S

Opinion

We have audited the financial statements of Kosan Gas A/S for the financial year 1 October 2019 - 30 September 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 September 2020 and of the results of the Company's operations for the financial year 1 October 2019 - 30 September 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 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 Company 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 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 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 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:

- 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 Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- 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 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 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.

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 Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 21 December 2020
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Lone Nørgaard Eskildsen
State Authorised Public Accountant
mne32085

Management's review

Company details

Name	Kosan Gas A/S
Address, Postal code, City	Hasselager Centervej 19-21, 8260 Viby J
CVR no.	17 99 09 77
Established	25 June 1945
Registered office	Aarhus
Financial year	1 October 2019 - 30 September 2020
Website	www.kosangas.dk
Telephone	+45 89 48 77 00
Board of Directors	Paul Michael Ladner, Chairman Marie-Dominique Cecilie Ortiz-Landazabal Beth Amanda Reid
Executive Board	Beth Amanda Reid
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark
Bankers	Danske Bank
Lawyer	Kromann & Reumert Rådhuspladsen 3, 8000 Aarhus C, Denmark

Management's review

Financial highlights

DKK'000	2019/20	2018/19	2017/18	2016/17	2015/16
Key figures					
Revenue	293,378	297,770	310,460	295,692	284,177
Operating profit/loss	41,992	18,768	20,875	26,767	38,681
Net financials	-3,139	141	215	237	-595
Profit for the year	68,016	14,487	16,258	21,039	29,089
Balance sheet					
Total assets	441,242	365,773	335,079	331,833	325,889
Investment in property, plant and equipment	38,720	34,503	37,310	33,891	27,698
Equity	323,920	251,888	239,733	223,476	202,437
Financial ratios					
Operating margin	14.6%	6.4%	6.7%	9.1 %	13.4 %
Return on assets	10.4%	5.4%	6.3%	8.1%	12.3%
Equity ratio	73.4%	68.9%	71.5%	67.3%	62.1%
Return on equity	23.6%	5.9%	7.0%	9.9%	15.6%
Personnel					
Average number of employees	58	61	61	57	55

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations. For terms and definitions, please see the accounting policies.

Management's review

Business review

Kosan Gas A/S purchases and sells gas and gas consuming equipment in Denmark.

Financial review

The income statement for 2019/20 shows a profit of DKK 68,016 thousand against a profit of DKK 14,487 thousand last year, and the balance sheet at 30 September 2020 shows equity of DKK 323,920 thousand.

The profit for the year exceeded expectations significantly, primarily due to dividends received from the subsidiary Kosan Gas Norge AS as well as low gas prices in 2019/2020.

In connection with the global Corona pandemic, Kosan Gas A/S sent all employees home, who were able to work from home in March, and on the same occasion made short-term use of the Danish Wage Compensation Scheme.

The customers' demand and ability to pay have only been affected to a limited extent by the Pandemic, all inbound and outbound deliveries were conducted as normal and the customers have to the extent possible received the usual services from the employees who have been working from home.

At the filling station in Esbjerg, where working from home is not an option, various safety measures were taken to safeguard the employees.

Management considers the Company's financial performance in the year to be satisfactory.

Impact on the external environment

The Company places much focus on safety and the environment and has a well-established system to safeguard and manage all related issues. Each year, considerable resources are spent in this respect.

Events after the balance sheet date

All safety measures due to the Corona pandemic continued unchanged after year end.

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

Outlook

For 2020/21, Management expects a profit ranging from DKK 10,000 thousand to DKK 14,000 thousand.

Financial statements 1 October 2019 - 30 September 2020

Income statement

Note	DKK'000	2019/20	2018/19
3	Revenue	293,378	297,770
15,4	Production costs	-136,020	-151,856
	Gross profit	157,358	145,914
	Distribution costs	-45,594	-44,461
15,4	Administrative expenses	-69,772	-82,685
	Operating profit	41,992	18,768
	Other operating income	745	250
	Other operating expenses	-2	-55
	Profit before net financials	42,735	18,963
	Income from investments in group entities	36,553	0
5	Financial income	157	336
6	Financial expenses	-3,296	-195
	Profit before tax	76,149	19,104
7	Tax for the year	-8,133	-4,617
	Profit for the year	68,016	14,487

Financial statements 1 October 2019 - 30 September 2020

Balance sheet

Note	DKK'000	2019/20	2018/19
	ASSETS		
	Fixed assets		
8	Intangible assets		
	Goodwill	0	178
		0	178
9	Property, plant and equipment		
	Land and buildings	7,694	8,325
	Plant and machinery	31,228	28,686
	Other fixtures and fittings, tools and equipment	107,566	107,876
	Leasehold improve-ments	713	918
	Prepay ments for property, plant and equipment	0	0
	Prepayments for property, plant and equipment	1,494	1,198
		148,695	147,003
10	Investments		
	Investments in group entities	120,281	83,167
		120,281	83,167
	Total fixed assets	268,976	230,348
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	15,256	15,226
		15,256	15,226
	Receivables		
	Trade receivables	62,595	58,415
	Receivables from group entities	2,499	7,339
	Income taxes receivable	0	1,413
	Other receivables	1,112	956
11	Prepayments	1,257	1,317
		67,463	69,440
	Cash	89,547	50,759
	Total non-fixed assets	172,266	135,425
	TOTAL ASSETS	441,242	365,773

Financial statements 1 October 2019 - 30 September 2020

Balance sheet

Note	DKK'000	2019/20	2018/19
	EQUITY AND LIABILITIES		
	Equity		
12	Share capital	117,800	117,800
	Retained earnings	76,120	134,088
	Dividend proposed for the year	130,000	0
	Total equity	323,920	251,888
	Provisions		
13	Deferred tax	22,937	22,202
	Total provisions	22,937	22,202
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Income taxes payable	7,641	4,316
		7,641	4,316
	Current liabilities other than provisions		
	Bank debt	49	28
	Trade payables	15,022	9,530
	Payables to group entities	4,833	9,961
	Income taxes payable	1,316	0
	Other payables	64,936	67,279
14	Deferred income	588	569
		86,744	87,367
	Total liabilities other than provisions	94,385	91,683
	TOTAL EQUITY AND LIABILITIES	441,242	365,773

- 1 Accounting policies
- 2 Special items
- 16 Contractual obligations and contingencies, etc.
- 17 Collateral
- 18 Related parties
- 19 Fee to the auditors appointed by the Company in general meeting
- 20 Appropriation of profit

Financial statements 1 October 2019 - 30 September 2020

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Dividend proposed for the year	Total
		117,800	121,934	0	239,734
20	Equity at 1 October 2018				
	Transfer, see "Appropriation of profit"	0	14,487	0	14,487
	Hedging	0	-2,991	0	-2,991
	Tax on items recognised directly in equity	0	658	0	658
	Equity at 1 October 2019	117,800	134,088	0	251,888
20	Transfer, see "Appropriation of profit"	0	-61,984	130,000	68,016
	Hedging	0	5,149	0	5,149
	Tax on items recognised directly in equity	0	-1,133	0	-1,133
	Equity at 30 September 2020	117,800	76,120	130,000	323,920

The Company hedges gas prices on future purchases.

As per 30 September 2020, the Company entered into hedging contracts for 14,812 tonnes of LPG at a gross amount of USD 4,652 thousand. The fair values of these contracts amount to a receivable of DKK 2,158 thousand.

Financial statements 1 October 2019 - 30 September 2020

Notes to the financial statements

1 Accounting policies

The annual report of Kosan Gas A/S for 2019/20 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements are prepared. The financial statements of Kosan Gas A/S and its group entities are part of the consolidated financial statements of UGI Corporation.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flows are part of the consolidated cash flow statement for the parent company, UGI Corporation.

Reporting currency

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

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in "Other receivables" and "Other payables", respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future assets or liabilities are recognised in other receivables or other payables, respectively, and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

Financial statements 1 October 2019 - 30 September 2020

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

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

Income from the sale of goods for resale and finished goods, comprising sale of LPG is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Production costs

Production costs comprise costs incurred in generating the revenue for the year. Such costs include direct and indirect costs of raw materials, consumables and production staff, rent and leases, as well as depreciation on production plant.

Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, exhibitions and amortisation/depreciation. Sales and marketing costs are recognised in the income statement when the Company obtains control of the sales or marketing product.

Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

Other operating income and operating expenses

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

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.

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 between 5 and 20 years. The amortisation period is based on Management's assessment.

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

Goodwill	5-20 years
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Financial statements 1 October 2019 - 30 September 2020

Notes to the financial statements

1 Accounting policies (continued)

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

Land and buildings	20-30 years
Plant and machinery	10-20 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improve-ments	5-20 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Profit from investments in subsidiaries

The item includes dividend received from subsidiaries in so far as the dividend does not exceed the accumulated earnings in the subsidiary in the period of ownership.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

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.

Balance sheet

Intangible assets

Goodwill is 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.

Financial statements 1 October 2019 - 30 September 2020

Notes to the financial statements

1 Accounting policies (continued)

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Investments in subsidiaries

Investments in subsidiaries and associates are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Impairment of fixed assets

Intangible assets, property, plant and equipment and investments in subsidiaries and associates are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or group of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

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.

Prepayments

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

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Financial statements 1 October 2019 - 30 September 2020

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

Financial statements 1 October 2019 - 30 September 2020

Notes to the financial statements

2 Special items

Special items for the year are specified below just as are the items under which they are recognised in the income statement.

DKK'000	2019/20	2018/19
Income		
Wage compensation (Covid-19)	364	0
	<u>364</u>	<u>0</u>
Special items are recognised in the below items of the financial statements		
Other operating income	364	0
Net profit on special items	<u>364</u>	<u>0</u>

Kosan Gas A/S has received wage compensation from the Danish government due to Covid-19.

3 Segment information

The Company has not disclosed geographical and business segmentation of revenue, see section 96(1) of the Danish Financial Statements Act, as Management is of the opinion that such disclosure could be highly detrimental to the Company.

The reason is that the Company operates in a market with very few competitors, and such disclosure could cause considerable damage.

DKK'000	2019/20	2018/19
4 Amortisation/depreciation of intangible assets and property, plant and equipment		
Amortisation of intangible assets	178	1,524
Depreciation of property, plant and equipment	37,039	36,531
	<u>37,217</u>	<u>38,055</u>

Amortisation/depreciation of intangible assets and property, plant and equipment is recognised in the income statement under the following items:

Production costs	25,855	24,274
Administrative expenses	11,362	13,781
	<u>37,217</u>	<u>38,055</u>

Financial statements 1 October 2019 - 30 September 2020

Notes to the financial statements

DKK'000	2019/20	2018/19
5 Financial income		
Interest receivable, group entities	0	172
Other financial income	157	164
	<u>157</u>	<u>336</u>
6 Financial expenses		
Exchange losses	2,869	67
Other financial expenses	427	128
	<u>3,296</u>	<u>195</u>
7 Tax for the year		
Estimated tax charge for the year	9,120	6,104
Deferred tax adjustments in the year	-397	-1,483
Tax adjustments, prior years	-590	-4
	<u>8,133</u>	<u>4,617</u>

DKK'000	Goodwill
Cost at 1 October 2019	<u>35,670</u>
Cost at 30 September 2020	<u>35,670</u>
Impairment losses and amortisation at 1 October 2019	35,492
Amortisation in the year	178
Impairment losses and amortisation at 30 September 2020	<u>35,670</u>
Carrying amount at 30 September 2020	<u>0</u>

9 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Prepayments for property, plant and equipment	Total
Cost at 1 October 2019	19,637	97,225	247,821	8,743	1,198	374,624
Additions in the year	0	6,288	30,938	0	1,494	38,720
Disposals in the year	-346	-1,415	-29,742	-404	0	-31,907
Transfer from other accounts	0	1,198	0	0	-1,198	0
Cost at 30 September 2020	<u>19,291</u>	<u>103,296</u>	<u>249,017</u>	<u>8,339</u>	<u>1,494</u>	<u>381,437</u>
Impairment losses and depreciation at 1 October 2019	11,312	68,539	139,945	7,825	0	227,621
Depreciation in the year	631	4,944	31,259	205	0	37,039
Reversal of depreciation and impairment of disposals	-346	-1,415	-29,753	-404	0	-31,918
Impairment losses and depreciation at 30 September 2020	<u>11,597</u>	<u>72,068</u>	<u>141,451</u>	<u>7,626</u>	<u>0</u>	<u>232,742</u>
Carrying amount at 30 September 2020	<u>7,694</u>	<u>31,228</u>	<u>107,566</u>	<u>713</u>	<u>1,494</u>	<u>148,695</u>

Financial statements 1 October 2019 - 30 September 2020

Notes to the financial statements

10 Investments

DKK'000	<u>Investments in group entities</u>
Cost at 1 October 2019	83,167
Additions in the year	37,114
Cost at 30 September 2020	<u>120,281</u>
Value adjustments at 30 September 2020	<u>0</u>
Carrying amount at 30 September 2020	<u>120,281</u>

Name	Legal form	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Subsidiaries					
Kosan Gas Norge AS	AS	Norway	100.00%	107,354	26,331
Kosan Gas Finland Oy	Oy	Finland	100.00%	35,656	562
Kosan Gas Sverige AB	AB	Sweden	100.00%	26	-18

Above equity and profit/loss are according to the most recent financial statements (2018/19).

11 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including rent, insurance policies and subscriptions.

DKK'000	<u>2019/20</u>	<u>2018/19</u>
12 Share capital		
Analysis of the share capital:		
117,800 shares of DKK 1,000.00 nominal value each	117,800	117,800
	<u>117,800</u>	<u>117,800</u>

The Company's share capital has remained DKK 117,800 thousand over the past 5 years.

DKK'000	<u>2019/20</u>	<u>2018/19</u>
13 Deferred tax		
Deferred tax relates to:		
Intangible assets	0	39
Property, plant and equipment	22,937	23,039
Liabilities	0	-218
Other non-taxable temporary differences	0	-658
	<u>22,937</u>	<u>22,202</u>

Financial statements 1 October 2019 - 30 September 2020

Notes to the financial statements

14 Deferred income

Deferred income comprises payments received which cannot be recognised as revenue until the subsequent financial year.

DKK'000	2019/20	2018/19
15 Staff costs		
Wages/salaries	39,062	52,363
Pensions	4,387	4,464
Other social security costs	657	746
	<u>44,106</u>	<u>57,573</u>

Staff costs are recognised as follows in the financial statements:

Production	8,348	8,860
Administration	35,758	48,713
	<u>44,106</u>	<u>57,573</u>

Average number of full-time employees	<u>58</u>	<u>61</u>
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By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

16 Contractual obligations and contingencies, etc.

Other contingent liabilities

DKK'000	2019/20	2018/19
Guarantee commitments	<u>221</u>	<u>221</u>
	<u>221</u>	<u>221</u>

Other financial obligations

Other rent and lease liabilities:

Rent and lease liabilities	<u>7,655</u>	<u>8,391</u>
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17 Collateral

The Company has provided suretyship as security for subsidiaries' debt to credit institutions.

Financial statements 1 October 2019 - 30 September 2020

Notes to the financial statements

18 Related parties

Kosan Gas A/S' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
UGI Corporation	USA	Ultimate patent company
Flaga GmbH	Austria	Parent company

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
UGI Corporation	USA	http://www.ugicorp.com/investor-relations/financial-reports/annual-reports/default.aspx

Related party transactions

Kosan Gas A/S was engaged in the below related party transactions:

<u>DKK'000</u>	<u>2019/20</u>	<u>2018/19</u>
Sale of services to group entities	11,180	12,593
Purchase of services and goods from parent company and other affiliated companies	-37,820	-61,426
Interest income from group entities	0	172
Receivables from group entities	341	7,339
Payables to group entities	4,833	9,961

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
Flaga GmbH	Austria

19 Fee to the auditors appointed by the Company in general meeting

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act. The fee is specified in the consolidated financial statements of UGI Corporation.

<u>DKK'000</u>	<u>2019/20</u>	<u>2018/19</u>
20 Appropriation of profit		
Recommended appropriation of profit		
Proposed dividend recognised under equity	130,000	0
Retained earnings/accumulated loss	-61,984	14,487
	<u>68,016</u>	<u>14,487</u>