

Treasure ASA

QUARTERLY REPORT

3RD QUARTER 2017

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Report for the third quarter of 2017

Highlights & Financial Summary

- Net profit of USD 61 thousand, a normalized level in a quarter without dividends from Hyundai Glovis.
- The Hyundai Glovis share price moved from 157.000 KRW to 148.000 KRW per share and USDKRW from 1143 to 1144 during the quarter.
- NAV per share at the end of the quarter: NOK 21.20
- Discount to NAV on average 28% during the quarter

Investment Case & Strategy

- Treasure ASA holds (via the wholly-owned subsidiary Den Norske Amerikalinje AS) 12,04% of Hyundai Glovis Co. Ltd., a global logistics company listed on the KRX Korea Exchange.
- The holding in Hyundai Glovis is strategic in nature towards the HMC Group in Korea. Treasure ASA is represented on the Board of Directors of Hyundai Glovis with two board members.
- Treasure ASA shall create shareholder value through a combination of increased value of the shares and dividends, where the primary source of income for Treasure ASA is dividend from Hyundai Glovis.

Prospects

The board expects the performance of the Hyundai Glovis share in the next quarter to be in line with the general equity indexes of the Korean Stock Exchange.

Lysaker, 8 November 2017
The board of directors of Treasure ASA

Forward-looking statements presented in this report are based on various assumptions. These assumptions were reasonable when made, but as assumptions are inherently subject to uncertainties and contingencies which are difficult or impossible to predict. Treasure ASA cannot give assurances that expectations regarding the future outlook will be achieved or accomplished.

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Income statement - financial report

USD thousand	Note	01.07-30.09 2017	01.07-30.09 2016	YTD 2017	Pro forma YTD 2016	From 8 June - 31 December *
Dividend from available-for-sale financial asset		0		11 780	11 900	
Other income		94	112	272		201
Total income		94	112	12 052	11 900	201
Operating expenses						
Other operating expenses		20	(356)	(192)	(118)	(595)
Total operating expenses		20	(356)	(192)	(118)	(595)
Operating profit		114	-244	11 860	11 782	(394)
Financial income/(expenses)						
Financial income		3	10	31		33
Financial expenses		(36)	(32)	(203)	(1 847)	(782)
Net financial income/(expenses)		(33)	(22)	(172)	(1 847)	(749)
Profit before tax		81	(266)	11 689	9 935	(1 143)
Tax income/(expense)		(20)		(1 851)	(1 800)	440
Profit for the period		61	(266)	9 838	8 135	(704)
Attributable to: owners of the parent		61	(266)	9 838	8 135	(704)
Basic earnings per share (USD)	2	0,00	(0,00)	0,04	0,04	(0,00)

* The group was established and listed from 8 June 2016.

Comprehensive income - financial report

USD thousand		01.07-30.09 2017	01.07-30.09 2016	YTD 2017	Pro forma YTD 2016	From 8 June - 31 December
Profit for the period		61	(266)	9 838	8 135	(704)
Items that will be reclassified to income statement						
Changes in fair value of available-for-sale financial asset		(35 933)	69 684	4 429	8 400	(132 576)
Currency translation			22			334
Other comprehensive income, net of tax		(35 933)	69 706	4 429	8 400	(132 242)
Total comprehensive income for the period		(35 872)	69 440	14 267	16 535	(132 945)
Total comprehensive income attributable to the owners of the parent		(35 872)	69 440	14 267	16 535	(132 945)

The above consolidated income statement should be read in conjunction with the accompanying notes.

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Balance sheet - financial report

USD thousand	Note	30.09.2017	30.09.2016	31.12.2016
Non current assets				
Deferred tax asset		495		458
Available-for-sale financial assets	3	583 675	742 615	580 194
Total non current assets		584 169	742 615	580 652
Current assets				
Other current assets		22	76	143
Cash and cash equivalents		2 089	16 727	16 416
Total current assets		2 110	16 803	16 559
Total assets		586 280	759 419	597 211
Equity				
Paid-in capital	2	2 719	2 719	2 719
Retained earnings		583 520	756 459	594 425
Attributable to equity holders of the owners		586 239	759 178	597 144
Current liabilities				
Other current liabilities		41	240	68
Total current liabilities		41	240	68
Total equity and liabilities		586 280	759 419	597 211

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

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Cash flow statement - financial report

USD thousand	Note	01.07-30.09 2017	01.07-30.09 2016	YTD 2017	Proforma YTD 2016	From 8 June - 31 December 2016
Cash flow from operating activities						
Profit before tax		81	(266)	11 689	9 669	(1 143)
Financial (income)/expenses		33	22	172	1 869	749
Change in working capital		199	(140)	741	(10 231)	(411)
Tax paid (company income tax, withholding tax)		20		(1 810)	(1 810)	(24)
Net cash provided by operating activities		333	(384)	10 791	(503)	(829)
Cash flow from investing activities						
Interest received		3	10	53	18	33
Net cash flow from investing activities		3	10	53	18	33
Cash flow from financing activities						
Dividend to shareholders		(17 383)		(25 172)		
Demerger WWASA					17 212	17 212
Net cash flow from financing activities		(17 383)	0	(25 172)	17 212	17 212
Net increase in cash and cash equivalents¹		(17 046)	(374)	(14 327)	16 727	16 416
Cash and cash equivalents at the beg. of the period ¹		19 135	17 101	16 416		
Cash and cash equivalents at the end of the period¹		2 089	16 727	2 089	16 727	16 416

¹ Excluding restricted cash.

The group has bank accounts in different currencies. Unrealised currency effects are included in net cash provided by operating activities.

Statement of changes in equity - financial report

Statement of changes in equity - year to date

USD thousand	Share capital	Retained earnings	Total
Balance 31.12.2016	2 719	594 425	597 144
Profit for the period		9 838	9 838
Dividend		(25 172)	(25 172)
Comprehensive income		4 429	4 429
Balance 30.09.2017	2 719	583 520	586 239

Statement of changes in equity - year to date

USD thousand	Share capital	Retained earnings	Total
Demerger from Wilh Wilhelmsen ASA	2 719	727 370	730 089
Profit for the period		(1 131)	(1 131)
Comprehensive income		30 220	30 220
Balance 30.09.2016	2 719	756 459	759 178

Statement of changes in equity - Full year

USD thousand	Share capital	Retained earnings	Total
Demerger from Wilh Wilhelmsen ASA	2 719	727 370	730 089
Profit for the period		(704)	(704)
Comprehensive income		(132 242)	(132 242)
Balance 31.12.2016	2 719	594 425	597 144

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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Notes - financial report

Note 1 - Accounting principles

General information

This consolidated interim financial report has been prepared in accordance with International Accounting Standards (IAS 34), "interim financial reporting". The consolidated interim financial reporting should be read in conjunction with the annual financial statements for the year end 31 December 2016 for Treasure ASA group (TRE), which has been prepared in accordance with IFRS's endorsed by the EU.

Basic policies

The accounting policies implemented are consistent with those of the annual financial statements for TRE for the year end 31 December 2016.

Roundings

As a result of rounding adjustments, the figures in one or more columns may not add up to the total of that column.

Note 2 - Shares

The share capital is as follows with a nominal value of NOK 0.10

Ordinary shares	220 000 000
Total shares	220 000 000

Earnings per share taking into consideration the number of outstanding shares in the period.

Basic earnings per share is calculated by dividing profit for the period after minority interests, by average number of total outstanding shares.

Earnings per share is calculated based on 220 000 000 shares for 2016 and 2017.

Note 3 - Available-for-sale financial assets

USD thousand	30.09.2017	30.09.2016	31.12.2016
Available-for-sale financial assets			
At 1 January	580 194		
Demerger from Wilh Wilhelmsen ASA		712 769	712 769
Mark to market valuation	3 481	29 846	(132 576)
Total available-for-sale financial assets	583 675	742 615	580 194

Available-for-sale financial assets are denominated in KRW

Note 4 - Financial level

USD thousand	Level 1	30.09.2017 Total
Financial assets at fair value		
Available-for-sale financial assets	583 675	583 675
Total financial assets 30.09.	583 675	583 675

USD thousand	Level 1	30.09.2016 Total
Financial assets at fair value		
Available-for-sale financial assets	742 615	742 615
Total financial assets 30.09.	742 615	742 615

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date.

Note 5 - Dividend

The proposed dividend for fiscal year 2016 in 2017 is NOK 0.30 per share, was approved by the annual general meeting on 27 April 2017, and paid to the shareholders in May 2017. The board received approval from the extraordinary

general meeting (EGM) 9 August 2017 to pay an extra dividend of NOK 0,65 per share, and paid to the shareholders in August 2017.

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Note 6 - Income statement - pro forma figures for Q1 2016 and full year 2015 and 2016 and reported Q2, Q3 and Q4 2016

USD mill

	Pro forma	Reported	Reported	Reported	Pro forma	
	Full year 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Full year 2015
Income						
Dividend from available -for-sale financial asset	11,9				11,9	8,2
Other income	0,4	0,3	0,1			
Total income	0,4	0,3	0,1	0,0	11,9	8,2
Operating expenses						
Other expenses	(0,7)	(0,2)	(0,4)	(0,1)	0,0	(0,4)
Total operating expenses	(0,7)	(0,2)	(0,4)	(0,1)	0,0	(0,4)
Operating profit ²	(0,3)	0,1	(0,2)	(0,1)	11,9	7,8
Financial income/(expenses)	(2,0)	-0,2	(0,0)	(0,7)	(1,1)	(0,0)
Profit/(loss) before tax	(2,3)	(0,1)	(0,3)	(0,9)	10,8	7,8
Income tax	(1,8)	0,0	0,0	0,0	(1,8)	(1,4)
Profit/(loss)	(4,1)	(0,1)	(0,3)	(0,9)	9,0	6,3

Statement of Comprehensive Income

Profit for the period	(4,1)	(0,1)	(0,3)	(0,9)	9,0	6,3
Items that will be reclassified to income statement						
Changes in fair value of available-for-sale financial asset	43,0	4,4	69,7	(39,5)	8,4	(465,7)
Other comprehensive income, net of tax	43,0	4,4	69,7	(39,5)	8,4	(465,7)
Total comprehensive income for the period	38,9	4,3	69,4	(40,4)	17,4	(459,4)