

Treasure ASA

SEMI-ANNUAL REPORT

1ST HALF 2018

CFO / IR contact:

Morten Lertrø

Phone: +47 67 58 40 00

Mobile: +47 90 41 99 94

info@treasureasa.com

www.treasureasa.com

Report for the first half of 2018

Highlights & Financial Summary

- Net Loss of USD 96,6 million, mainly reflecting the revaluation of the shareholding in Hyundai Glovis.
- The Hyundai Glovis share price moved from 136.000 KRW to 115.500 KRW per share and USDKRW from 1067 to 1115 during the first six months of 2018.
- The increased volatility in the share price of Hyundai Glovis is mainly due to the ongoing restructuring of the Hyundai Group, involving several Hyundai entities, including Hyundai Glovis. An initial restructuring proposal from late March was viewed positive by the equity markets, both from a governance improvement and a valuation point-of-view. However, caused by lack of shareholder support, the proposal was withdrawn late May. The Hyundai Group is expected to return to their shareholders with a new restructuring proposal within the next quarters.
- NAV per share at the end of the half: 17,5 NOK
- Treasure ASA paid 0,30 NOK per share dividend in May 2018.

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 and 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.
- The company is debt-free.

Prospects

Treasure ASA's dominating asset are shares in Hyundai Glovis Co Ltd., incorporated and listed in Korea, whose share price will fluctuate with the full range of variables impacting global trade and logistics dynamics, as well as company specific and otherwise relevant news flow.

Lysaker, 9 August 2018
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 - half year financial report

USD thousand	Note	First-half 2018	First-half 2017	Full year 2017
Dividend from Hyundai Glovis		12 529	11 780	11 780
Other income		200	229	461
Change in fair value of shares in Hyundai Glovis	2	(106 806)		
Foreign currency gain/(loss)		(315)	(132)	(138)
Other expenses		(251)	(269)	(366)
Impairment shares in Hyundai Glovis				(137 354)
Profit/(loss) before tax		(94 642)	11 608	(125 617)
Tax income/(expense)		(1 919)	(1 831)	(2 036)
Profit for the period		(96 561)	9 777	(127 653)
Attributable to: owners of the parent		(96 561)	9 777	(127 653)
Basic earnings per share (USD)	1	(0,44)	0,04	(0,58)

Comprehensive income - financial report

USD thousand	First-half 2018	First-half 2017	Full year 2017
Profit for the period	(96 561)	9 777	(127 653)
Items that will be reclassified to income statement			
Changes in fair value of financial asset		40 362	(4 779)
Changes in fair value of financial asset reclassified to income statement			137 354
Currency translation	279		1 022
Other comprehensive income, net of tax	279	40 362	133 597
Total comprehensive income for the period	(96 282)	50 139	5 943
Total comprehensive income attributable to the owners of the parent	(96 282)	50 139	5 943

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

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Balance sheet - half year report

USD thousand	Note	30.06.2018	30.06.2017	31.12.2017
Non current assets				
Deferred tax asset		317	470	316
Financial assets	2	468 610	619 998	575 415
Total non current assets		468 927	620 468	575 731
Current assets				
Other current assets		28	23	6
Cash and cash equivalents		4 324	19 135	2 132
Total current assets		4 352	19 158	2 138
Total assets		473 279	639 626	577 869
Equity				
Paid-in capital	1	2 719	2 719	2 719
Retained earnings		470 486	636 775	575 091
Attributable to equity holders of the owners		473 206	639 494	577 811
Current liabilities				
Other current liabilities		73	132	59
Total current liabilities		73	132	59
Total equity and liabilities		473 279	639 626	577 869

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

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Cash flow statement - half year financial report

USD thousand	Note	First-half 2018	First-half 2017	Full year 2017
Cash flow from operating activities				
Dividend from Hyundai Glovis		12 529	11 780	11 780
Other income		188	178	364
Change in working capital		(250)	387	784
Tax paid		(1 919)	(1 831)	(2 036)
Net cash provided by operating activities		10 548	10 515	10 893
Cash flow from investing activities				
Financial income		12	51	97
Financial expenses		(44)	(58)	(101)
Net cash flow from investing activities		(32)	(7)	(5)
Cash flow from financing activities				
Dividend to shareholders	4	(8 323)	(7 789)	(25 172)
Net cash flow from financing activities		(8 323)	(7 789)	(25 172)
Net increase in cash and cash equivalents ¹		2 192	2 719	(14 284)
Cash and cash equivalents at the beg. of the period ¹		2 132	16 416	16 416
Cash and cash equivalents at the end of the period ¹		4 324	19 135	2 132

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 31.12.2017	2 719	575 091	577 811
Profit for the period		(96 561)	(96 561)
Paid dividends to shareholders		(8 323)	(8 323)
Comprehensive income		279	279
Balance 30.06.2018	2 719	470 486	473 206

USD thousand	Share capital	Retained earnings	Total
Balance 31.12.2016	2 719	594 425	597 144
Profit for the period		9 777	9 777
Paid dividends to shareholders		(7 789)	(7 789)
Comprehensive income		40 362	40 362
Balance 30.06.2017	2 719	636 775	639 494

Statement of changes in equity - Full year

USD thousand	Share capital	Retained earnings	Total
Balance 31.12.2016	2 719	594 425	597 144
Profit for the period		(127 653)	(127 653)
Paid dividends to shareholders		(25 172)	(25 172)
Comprehensive income		133 492	133 492
Balance 31.12.2017	2 719	575 091	577 811

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

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Notes - half year financial report

Note 1 - 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 2017 and 2018.

Note 2 Financial assets at fair value

USD thousand	31.12.2017
Available-for-sale financial assets	
At 1 January	580 194
Mark to market valuation	
Reversal mark to market valuation	132 576
Impairment charge through income statement	(137 354)
Total available-for-sale financial assets	575 415

Financial asset at fair value is denominated in KRW

The fair value of the investment has increased from previous quarter. Increased fair value is recognized in income statement in accordance with IFRS 9 financial asset through income statement.

Fair value at 1. January 2018	575 415
Change in fair value through income statement	(106 806)
Fair value at 30.06. 2018	468 610

Note 3 - Financial level

USD thousand	30.06.2018	
	Level 1	Total
Financial assets at fair value		
Financial assets at fair value	468 610	468 610
Total financial assets 30.06.2018	468 610	468 610

USD thousand	30.06.2017	
	Level 1	Total
Financial assets at fair value		
Financial assets at fair value	619 998	619 998
Total financial assets 30.06.2017	619 998	619 998

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

Note 4 - Dividend

The proposed dividend for fiscal year 2017 in 2018 is NOK 0.30 per share, was approved by the annual general meeting on 26 April 2018, and paid to the shareholders in May 2018.

The dividend had effect on retained earnings in second quarter of 2018.

Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2018 have been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the group's assets, liabilities, financial position and profit as a whole.

We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

Lysaker, 9 August 2018
The board of directors of Treasure ASA

Thomas Wilhelmsen
Chair
Sign

Christian Berg
Sign

Marianne Lie
Sign

Benedicte Bakke Agerup
Sign

Magnus A.K. Sande
CEO
Sign