

# Treasure ASA

## SEMI-ANNUAL REPORT

1ST HALF 2019

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# Report for the first half of 2019

## Highlights & Financial Summary

- Net Profit of USD 117,0 million, mainly reflecting the revaluation of the shareholding in Hyundai Glovis.
- The Hyundai Glovis share price moved from 129.000 KRW to 161.000 KRW per share and USDKRW from 1116 to 1155 during the first six months of 2019.
- The share price of Hyundai Glovis still exhibits a relatively high volatility, as does the other entities within the Hyundai Group. This is mainly due to shifting market expectations towards timing and content of a larger restructuring of the group. To date, no update has been given from the Hyundai Group on the anticipated restructuring to replace the historical ownership structure, expected to include the dissolving of an extensive circular ownership.
- Financial performance in Hyundai Glovis - highly correlated to the light vehicle manufacturing of Hyundai Motor and Kia Motors – has exhibited overall improvement during the last quarters.
- NAV per share at the end of the half: 24,5 NOK.
- Treasure ASA paid 0,30 NOK per share dividend in May 2019.
- Own shares held by Treasure ASA (1% of share capital) were cancelled towards the end of June 2019, as communicated to the market. New number of outstanding shares: 217,8 million.

## 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 has no debt.

## 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, 20 August 2019  
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.

# Treasure ASA

## Income statement - half year financial report

USD thousand	Note	First-half 2019	First-half 2018	Full year 2018
Dividend from Hyundai Glovis		13 295	12 529	12 529
Other income		173	200	367
Change in fair value of shares in Hyundai Glovis	2	106 437	(106 806)	(52 822)
Foreign currency gain/(loss)		(183)	(315)	
Other expenses		(266)	(251)	(691)
<b>Profit/(loss) before tax</b>		<b>119 456</b>	<b>(94 642)</b>	<b>(40 617)</b>
Tax income/(expense)		(2 014)	(1 919)	(2 089)
<b>Profit for the period</b>		<b>117 442</b>	<b>(96 561)</b>	<b>(42 707)</b>
Attributable to: owners of the parent		117 442	(96 561)	(42 707)
Basic earnings per share (USD)	1	0,54	(0,44)	(0,19)

## Comprehensive income - financial report

USD thousand	First-half 2019	First-half 2018	Full year 2018
<b>Profit for the period</b>	<b>117 442</b>	<b>(96 561)</b>	<b>(42 707)</b>
<b>Items that will be reclassified to income statement</b>			
Currency translation	108	279	172
<b>Other comprehensive income, net of tax</b>	<b>108</b>	<b>279</b>	<b>172</b>
<b>Total comprehensive income for the period</b>	<b>117 550</b>	<b>(96 282)</b>	<b>(42 535)</b>
<b>Total comprehensive income attributable to the owners of the parent</b>	<b>117 550</b>	<b>(96 282)</b>	<b>(42 535)</b>

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	30.06.2019	30.06.2018	31.12.2018
<b>Non current assets</b>				
Deferred tax asset		173	317	170
Financial assets	2	629 030	468 610	522 593
<b>Total non current assets</b>		<b>629 203</b>	<b>468 927</b>	<b>522 763</b>
<b>Current assets</b>				
Other current assets		119	28	19
Cash and cash equivalents		4 446	4 324	2 130
<b>Total current assets</b>		<b>4 565</b>	<b>4 352</b>	<b>2 149</b>
<b>Total assets</b>		<b>633 769</b>	<b>473 279</b>	<b>524 912</b>
<b>Equity</b>				
Paid-in capital	1	2 694	2 719	2 719
Own shares	1			(18)
Retained earnings		630 990	470 486	522 163
<b>Attributable to equity holders of the owners</b>		<b>633 684</b>	<b>473 206</b>	<b>524 864</b>
<b>Current liabilities</b>				
Other current liabilities		85	73	48
<b>Total current liabilities</b>		<b>85</b>	<b>73</b>	<b>48</b>
<b>Total equity and liabilities</b>		<b>633 769</b>	<b>473 279</b>	<b>524 912</b>

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

# Treasure ASA

## Cash flow statement - half year financial report

USD thousand	Note	First-half 2019	First-half 2018	Full year 2018
<b>Cash flow from operating activities</b>				
Dividend from Hyundai Glovis		13 295	12 529	12 529
Other income		173	188	367
Change in working capital		(202)	(250)	(105)
Tax paid		(2 014)	(1 919)	(1 960)
<b>Net cash provided by operating activities</b>		<b>11 252</b>	<b>10 548</b>	<b>10 831</b>
<b>Cash flow from investing activities</b>				
Financial income		65	12	42
Financial expenses		(269)	(44)	(391)
<b>Net cash flow from investing activities</b>		<b>(205)</b>	<b>(32)</b>	<b>(350)</b>
<b>Cash flow from financing activities</b>				
Purchase of own shares		(1 144)		(2 160)
Dividend to shareholders	4	(7 588)	(8 323)	(8 323)
<b>Net cash flow from financing activities</b>		<b>(8 731)</b>	<b>(8 323)</b>	<b>(10 483)</b>
<b>Net increase in cash and cash equivalents <sup>1</sup></b>		<b>2 316</b>	<b>2 192</b>	<b>(2)</b>
Cash and cash equivalents at the beg. of the period <sup>1</sup>		2 130	2 132	2 132
<b>Cash and cash equivalents at the end of the period <sup>1</sup></b>		<b>4 446</b>	<b>4 324</b>	<b>2 130</b>

<sup>1</sup> 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	Own shares	Retained earnings	Total
Balance 31.12.2018	2 719	(18)	522 163	524 864
Purchase of own shares		(8)	(1 136)	(1 144)
Liquidation of own shares	(26)	26		0
Profit for the period			117 442	117 442
Paid dividends to shareholders			(7 588)	(7 588)
Comprehensive income			108	108
<b>Balance 30.06.2019</b>	<b>2 694</b>		<b>630 990</b>	<b>633 684</b>

At 31 December 2018 Treasure ASA had own shares of 1.450.000 shares. During first half year the company acquired another 750.000 shares. Own shares, 2 200 000 were liquidated in first half year 2019. The share capital is reduced from NOK 22 000 000 by NOK 220 000 to NOK 21 780 000.

USD thousand	Share capital	Own shares	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
<b>Balance 30.06.2018</b>	<b>2 719</b>		<b>470 486</b>	<b>473 206</b>

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## Statement of changes in equity - financial report

### Statement of changes in equity - Full year

USD thousand	Share capital	Own shares	Retained earnings	Total
Balance 31.12.2017	2 719		575 091	577 811
Purchase of own shares		(18)	(2 070)	(2 088)
Profit for the period			(42 707)	(42 707)
Paid dividends to shareholders			(8 323)	(8 323)
Comprehensive income			172	172
<b>Balance 31.12.2018</b>	<b>2 719</b>	<b>(18)</b>	<b>522 163</b>	<b>524 864</b>

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

# Treasure ASA

## Notes - half year financial report

### Note 1 - Shares

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

Ordinary shares	217 800 000
<b>Total shares</b>	<b>217 800 000</b>

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 219 879 167 shares for the whole year 2018, 220 000 000 shares for first half year 2018 and 217 800 000 shares for first half year 2019.

### Note 2 Financial assets at fair value

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.

	2019	2018
Fair value at 1. January	522 593	575 415
Change in fair value through income statement	106 437	(106 806)
<b>Fair value at 30.06</b>	<b>629 030</b>	<b>468 610</b>

### Note 3 - Financial level

USD thousand	Level 1	30.06.2019
		Total
<b>Financial assets at fair value</b>		
Financial assets at fair value	629 030	629 030
<b>Total financial assets 30.06.2019</b>	<b>629 030</b>	<b>629 030</b>
		30.06.2018
<b>USD thousand</b>	<b>Level 1</b>	<b>Total</b>
<b>Financial assets at fair value</b>		
Financial assets at fair value	468 610	468 610
<b>Total financial assets 30.06.2018</b>	<b>468 610</b>	<b>468 610</b>

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 2018 in 2019 is NOK 0.30 per share, was approved by the annual general meeting on 13 March 2019, and paid to the shareholders in May 2019.

The dividend had effect on retained earnings in first half year 2019.

## 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 2019 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, 20 August 2019  
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