

Treasure ASA

REPORT

1ST HALF 2020

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 2020

Highlights & Financial Summary

- Net Loss of USD 167 million, mainly reflecting the revaluation of the shareholding in Hyundai Glovis.
- The Hyundai Glovis share price moved from 143.000 KRW to 101.500 KRW per share and USDKRW from 1156 to 1203 during the first six months of 2020.
- The share price of Hyundai Glovis still exhibits a relatively high volatility, as does the other entities within the Hyundai Group. The financial consequences of the Covid-19-related lack of demand and production of light vehicles are severe, which is reflected not only in the share price and financial performance of Hyundai Glovis but across the whole auto production and auto logistics industries.
- Financial performance in Hyundai Glovis - highly correlated to the light vehicle manufacturing of Hyundai Motor and Kia Motors – has however exhibited relative resilience related to its peers, and the balance sheet and dividend capacity remain strong.
- Treasure ASA paid 0,40 NOK per share dividend in May 2020.
- Following a buy-back of 2.500.000 own shares in May 2020, the company now holds 2.965.000 own shares.

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, stocmarket sentiemet, as well as company specific and otherwise relevant news flow.

Lysaker, 17 August 2020
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 2020	First-half 2019	Full year 2019
Dividend from Hyundai Glovis		12 287	13 295	13 295
Other income		167	173	373
Change in fair value of shares in Hyundai Glovis	2	(177 790)	106 437	37 041
Foreign currency gain/(loss)		612	(183)	
Other expenses		(175)	(266)	(821)
Profit/(loss) before tax		(164 898)	119 456	49 889
Tax income/(expense)		(1 884)	(2 014)	(2 065)
Profit/(loss) for the period		(166 782)	117 442	47 823
Basic earnings per share (USD)	1	(0,77)	0,54	0,22

Comprehensive income - financial report

USD thousand	First-half 2020	First-half 2019	Full year 2019
Profit/(loss) for the period	(166 782)	117 442	47 823
Items that will be reclassified to income statement			
Currency translation	132	108	161
Other comprehensive income, net of tax	132	108	161
Total comprehensive income for the period	(166 650)	117 550	47 985

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	30.06.2020	30.06.2019	31.12.2019
Non current assets				
Deferred tax asset		160	173	177
Financial assets	2	381 844	629 030	559 634
Total non current assets		382 004	629 203	559 811
Current assets				
Other current assets		28	119	36
Cash and cash equivalents		2 960	4 446	3 547
Total current assets		2 988	4 565	3 583
Total assets		384 992	633 769	563 394
Equity				
Paid-in capital	1	2 694	2 694	2 694
Own shares	1	(31)		(5)
Retained earnings		382 326	630 990	560 704
Attributable to equity holders of the owners		384 989	633 684	563 393
Current liabilities				
Other current liabilities		3	85	1
Total current liabilities		3	85	1
Total equity and liabilities		384 992	633 769	563 394

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 2020	First-half 2019	Full year 2019
Cash flow from operating activities				
Dividend from Hyundai Glovis		12 287	13 295	13 295
Other income		167	173	373
Change in working capital		(135)	(202)	(376)
Tax paid		(1 884)	(2 014)	(2 074)
Net cash provided by operating activities		10 435	11 252	11 219
Cash flow from investing activities				
Financial income		623	65	48
Financial expenses		(29)	(269)	(403)
Net cash flow from investing activities		594	(205)	(355)
Cash flow from financing activities				
Purchase of own shares		(2 700)	(1 144)	(1 859)
Dividend to shareholders	4	(8 916)	(7 588)	(7 588)
Net cash flow from financing activities		(11 616)	(8 731)	(9 446)
Net increase in cash and cash equivalents¹		(586)	2 316	1 418
Cash and cash equivalents at the beg. of the period ¹		3 547	2 130	2 130
Cash and cash equivalents at the end of the period¹		2 961	4 446	3 547

¹ Excluding restricted cash.

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

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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 31.12.2019	2 694	(5)	560 704	563 393
Purchase of own shares		(26)	(2 812)	(2 838)
Profit for the period			(166 782)	(166 782)
Paid dividends to shareholders			(8 916)	(8 916)
Comprehensive income			132	132
Balance 30.06.2020	2 694	(31)	382 326	384 988

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		
Profit for the period			117 442	117 442
Paid dividends to shareholders			(7 588)	(7 588)
Comprehensive income			108	108
Balance 30.06.2019	2 694		630 990	633 684

Statement of changes in equity - Full year

USD thousand	Share capital	Own shares	Retained earnings	Total
Balance 31.12.2018	2 719	(18)	522 163	524 864
Purchase of own shares		(13)	(1 856)	(1 868)
Liquidation of own shares	(25)	25		
Profit for the period			47 823	47 823
Dividend to shareholders			(7 588)	(7 588)
Other comprehensive income			161	161
Balance 31.12.2019	2 694	(5)	560 704	563 393

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
Own shares	(2 965 000)
Total shares	217 035 000

Earnings per share taking into consideration the number of outstanding shares in the period. The group own 2 965 000 own shares at end of June 2020.

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

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.

	30.06.2020	30.06.2019
Fair value at 1. January	559 634	522 593
Change in fair value through income statement	(177 790)	106 437
Fair value at 30.06	381 844	629 030

Note 3 - Financial level

USD thousand	Level 1	30.06.2020
		Total
Financial assets at fair value		
Financial assets at fair value	381 844	381 844
Total financial assets 30.06.2020	381 844	381 844
USD thousand	Level 1	30.06.2019
		Total
Financial assets at fair value		
Financial assets at fair value	629 030	629 030
Total financial assets 30.06.2019	629 030	629 030

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 2019 is NOK 0.40 per share and was approved by the annual general meeting on 19 March 2020, and paid to the shareholders in May 2020.

The dividend had effect on retained earnings in first half year 2020

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 2020 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, 17 August 2020
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