

Treasure ASA

REPORT

1ST HALF 2021

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Report for the first half of 2021

Highlights & Financial Summary

- Profit for the period was USD 76 million, reflecting the revaluation of the shareholding in Hyundai Glovis as well as USDKRW fluctuations.
- The Hyundai Glovis share price moved from KRW 184.000 to KRW 209.000 per share and USDKRW from 1087 to 1130 during the first six months of 2021.
- The share price of Hyundai Glovis still exhibits a relatively high volatility compared to the general equity market and its peers, as does the other entities within the Hyundai Group.
- The financial impact of a return to a post-Covid-19 operating environment will be uncertain across the full value chain of the light vehicles production and logistics. However, the wider Hyundai group is committed to its strategic shift towards modern, fuel-efficient and low-carbon emission through its updated model range, which should support its competitive position.
- The financial performance in Hyundai Glovis remains highly correlated to the light vehicle manufacturing of Hyundai Motor and Kia Motors, but the company continues to build on strong business models within each division, proving a stronger cyclical resilience related to its peers, and maintaining a strong balance sheet and dividend capacity. Hyundai Glovis reported strong earnings for the second quarter 2021.
- Treasure ASA paid 1.50 NOK per share dividend in May 2021.

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, global and local stock market sentiment, as well as company specific and relevant news flow.

Lysaker, 16 August 2021
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 2021	First-half 2020	Full year 2020
Dividend from Hyundai Glovis		12,810	12,287	12,287
Other income		193	167	1,809
Change in fair value of shares in Hyundai Glovis	2	64,598	(177,790)	201,568
Foreign currency gain/(loss)		145	612	
Other expenses		(271)	(175)	(424)
Profit/(loss) before tax		77,475	(164,898)	215,240
Tax income/(expense)		(1,962)	(1,884)	(1,576)
Profit/(loss) for the period		75,513	(166,782)	213,664
Basic earnings per share (USD)	1	0.35	(0.78)	0.99

Comprehensive income - financial report

USD thousand	First-half 2021	First-half 2020	Full year 2020
Profit/(loss) for the period	75,513	(166,782)	213,664
Items that will be reclassified to income statement			
Currency translation	265	132	(166)
Other comprehensive income, net of tax	265	132	(166)
Total comprehensive income for the period	75,778	(166,650)	213,498

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	06/30/2021	06/30/2020	12/31/2020
Non current assets				
Deferred tax asset		544	160	547
Financial assets	2	763,165	381,844	698,567
Total non current assets		763,710	382,004	699,114
Current assets				
Other current assets		43	28	10
Cash and cash equivalents		37,542	2,960	64,405
Total current assets		37,585	2,988	64,414
Total assets		801,295	384,992	763,528
Equity				
Paid-in capital	1	2,694	2,694	2,694
Own shares	1		(31)	(42)
Retained earnings		798,596	382,326	760,858
Attributable to equity holders of the owners		801,290	384,989	763,509
Current liabilities				
Other current liabilities		5	3	19
Total current liabilities		5	3	19
Total equity and liabilities		801,294	384,992	763,528

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			First-half	First-half	Full year
	Note		2021	2020	2020
Cash flow from operating activities					
Dividend from Hyundai Glovis			12,810	12,287	12,287
Net proceed from sale of shares in Hyundai Glovis					62,635
Other income			193	167	1,809
Change in working capital			1,148	(135)	(517)
Tax paid			(1,962)	(1,884)	(1,923)
Net cash provided by operating activities			12,190	10,435	74,290
Cash flow from investing activities					
Financial income			195	623	11
Financial expenses			(50)	(29)	(1,262)
Net cash flow from investing activities			145	594	(1,252)
Cash flow from financing activities					
Purchase of own shares				(2,700)	(4,143)
Dividend to shareholders	4		(37,998)	(8,916)	(9,239)
Net cash flow from financing activities			(37,998)	(11,616)	(13,381)
Net increase in cash and cash equivalents ¹			(25,663)	(586)	59,657
Cash and cash equivalents at the beg. of the period ¹			63,204	3,547	3,547
Cash and cash equivalents at the end of the period ¹			37,542	2,961	63,204

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 31.12.2020	2,694	(42)	760,858	763,509
Liquidation of own shares		42	(42)	-
Profit for the period			75,513	75,513
Paid dividends to shareholders			(37,998)	(37,998)
Comprehensive income			265	265
Balance 30.06.2021	2,694	-	798,596	801,290

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			(37,998)	(37,998)
Comprehensive income			132	132
Balance 30.06.2020	2,694	(31)	353,244	355,907

Statement of changes in equity - Full year

USD thousand	Share capital	Own shares	Retained earnings	Total
Balance 31.12.2019	2,694	(5)	560,704	563,393
Purchase of own shares		(37)	(4,106)	(4,143)
Profit for the period			213,664	213,664
Paid dividends to shareholders			(9,239)	(9,239)
Comprehensive income			(166)	(166)
Balance 31.12.2020	2,694	(42)	760,858	763,509

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	213,835,000
Total shares	213,835,000

Earnings per share taking into consideration the number of outstanding shares in the period. The group own shares, 3 965 000 were liquidated during the first half 2021. (Technical deletion in VPS will follow in the second half)
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 since year end 2020. Increased fair value is recognized in income statement in accordance with IFRS 9 financial asset through income statement.

	06/30/2021	06/30/2020	12/31/2020
Fair value at 1. January	698,567	559,634	559,634
Net sale of shares			(62,635)
Change in fair value through income statement	64,598	(177,790)	201,568
Fair value at 30.06	763,165	381,844	698,567

Note 3 - Financial level

USD thousand	Level 1	30/06/2021 Total
Financial assets at fair value		
Financial assets at fair value	763,165	763,165
Total financial assets 30.06.2021	763,165	763,165
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

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 2020 is NOK 1.50 per share and was approved by the annual general meeting on 16 March 2021, and paid to the shareholders in May 2021.

The dividend had effect on retained earnings in first half year 2021.