AVES ONE INTERIM GROUP MANAGEMENT REPORT FOR THE 1ST HALF OF 2018

1 BASES OF THE GROUP

Aves One AG (hereinafter: "Aves Group"; Aves One AG is also individually called "Aves" or "company") is a strongly expanding investor in the area of long-lifetime logistics assets, focusing on freight wagons for rail transport. Standard shipping containers for the sea transport, swap bodies for road transport and logistics real estate properties belong to the Aves One portfolio. Headquartered in Hamburg, the company is listed in the Regulated Market (Prime Standard) of Frankfurt Stock Exchange (ISIN: DE000A168114; WKN: A16811). The company itself does not have any significant business division of its own, but instead acts as a holding company providing administrative services for its subsidiary companies. The objective is to further expand business activity in all business divisions. As well as growth through acquisitions, the Group focuses on increasing profitability in all business divisions.

2 BUSINESS REPORT

2.1 COURSE OF BUSINESS

Operating Business

The Aves Group generated increasing sales revenues across all business divisions in the first half of 2018 compared to the first half of the previous year. This revenue growth resulted primarily from portfolios already acquired in 2017, in increased capacity utilisation and increased rental rates. The EBITDA also rose from EUR 12.7 million in the first half of 2017 to EUR 22.0 million in the first half of 2018 for the same reason.

In January of this year, Aves One AG took delivery of the first 20 brand-new freight wagons from the EUR 17 million order recently concluded. Delivery of the total of 185 bulk material freight wagons is expected in successive instalments up to early in the third quarter of 2018.

In February 2018, the Aves Group further expanded bank financing as a proportion of its total credit portfolio. For example, freight wagons with an investment volume of EUR 13.8 million were financed by UniCredit Leasing GmbH, a subsidiary of UniCredit Bank AG.

Aves One AG concluded the acquisition of a logistics real estate property in the Alsdorf Business Park near Aachen in End of March 2018. The property, which was completed in 2017, involves a state-of-the-art contract logistics building with a total rentable area of approx. 12,000 m^2. The long-term tenant of the entire property is a company providing electrical engineering assembly and logistics services at the site. The volume of the transaction is around EUR 10.0 million. Panattoni Europe will also undertake property management for this real estate in the future.

In March 2018, the Aves Group made use of the current attractive economic conditions and acquired swap bodies with an investment volume totalling around EUR 4.6 million. These involve 500 brand-new swap bodies carrying 5-year rental contracts and scheduled for handover to the lessees by October 2018.

In the context of further growth, Aves One AG acquired another portfolio of swap bodies in May 2018. A total of 631 used transport containers with a volume of around EUR 2.0 million were acquired. All the swap bodies are leased to reputable parcel and freight service providers in Germany.

Aves One AG's expansion of its Rail division portfolio in May 2018 also included tank wagons for the first time, through the purchase of 117 new and used mineral oil and chemicals wagons. The purchase price was around EUR 8.5 million. All the tank wagons are leased to reputable companies in the chemicals and petrochemicals sector. The purchase is financed by UniCredit Leasing. In the course of this acquisition rail wagon leasing provider Wascosa AG, Lucerne, Switzerland, could be won as a new manager for the portfolio.

Furthermore, a portfolio of as-new containers was acquired for USD 59.0 million in June 2018. The purchase contract provides for the acquisition of the containers to take place in several phases up to the end of June 2018. The portfolio comprises 20,400 containers, corresponding to 29,400 TEU (Twenty Foot Equivalent Units). Financing of this transaction is supported by ABN AMRO Lease.

In total, investments in fixed assets in the first six months of the business year amounted to EUR 37.1 million and USD 59.0 million, respectively.

Management Board

On 1 February 2018, Aves One AG's Supervisory Board appointed Mr. Sven Meissner to the company's Management Board for a three-year term of office. Mr. Peter Kampf relinquished his office as a member of the Aves One AG Management Board as of the expiry of 30 June 2018. Mr. Kampf will devote himself to other professional challenges in the future. From 1 July 2018 onwards, the Management Board of Aves One AG comprises Mr. Jürgen Bauer and Mr. Sven Meissner.

2.2 INCOME SITUATION

Compared to the same period in the previous year (p.y.), the Aves Group generated sales revenues in the first six months of this year, hereinafter "reporting period", amounting to EUR K 32,366 (previous year: EUR K 24,459). Of this, around EUR K 14,944 (previous year: EUR K 12,825) originated from the expanding Rail business division, slightly more than EUR K 14,461 (previous year: EUR K 11.377) from the sales revenues of the Container business division.

Selected key financial figures

in KEUR	HJ 2018	HJ 2017	Q2 2018	Q2 2017
Sales revenues	32,366	24,459	16,734	12,464
Cost of materials and services	-5,803	-6,502	-2,549	-3,092
Personnel costs	-2,100	-1,540	-1,048	-767
other costs	-4,163	-5,568	-1,983	-2,907
EBITDA	**21,966**	12,739	**12,090**	7,253
Depreciation and amortisations	-8,719	-7,852	-4,669	-3,795
EBIT	13,247	4,887	7,421	3,458
Financial result	-7,022	-24,069	3,680	-17,234
Earnings before tax (EBT)	6,225	-19,182	11,101	-13,776
Earnings before tax (EBT), adjusted[1]	**1,136**	-6,767	**927**	-3,304
Taxes on income and revenue	-1,591	3,566	-1,803	4,476
thereof current income taxes	-317	41	-181	-7
thereof deferred taxes	-1,274	3,525	-1,622	4,483
Consolidated annual net gain/loss	**4,634**	-15,616	**9,298**	-9,300

[1] *EBT and net income/loss adjusted for exchange rate effects in financial result*

The cost of materials in the reporting period was reduced to EUR K 5,803 in spite of the substantial rise in sales of EUR K 6.502 in the previous year. Thus an improvement was achieved of the margin to 82.1% (p.y. 73.4%). The increase in personnel costs in the reporting period results essentially from CH2 AG, which had not yet been included fully consolidated in the consolidated financial statements in the comparison period but was included in the consolidated financial statements at equity.

The earnings before interest, taxes, depreciation and amortization (EBITDA) increased more than proportionally in 2018 to EUR K 21,966 (p.y. EUR K 12,739) and thus by 72.4%. The earnings before interest and taxes (EBIT) also increased disproportionately by EUR K 8,360 to EUR K 13,247.

The change in the financial result is primarily due to the predominantly non-cash currency effects from the balance sheet date valuation of EUR liabilities and receivables in the Container division, which were positively influenced by the change in the EUR/USD exchange rate from 1.1993 EUR/USD on 31 December 2017 to 1.1658 EUR/USD on 30 June 2018.

Taking into account the financial result, earnings before taxes (EBT) thus amount to EUR K 6,225 (EUR K -19,182 in the previous year). Adjusted for the currency effects contained in the financial result, the adjusted EBT improved from EUR K -6,767 to EUR K 1,135.

The increase in income taxes primarily resulted from deferred taxes and mainly from currency effects from the translation of EUR tax balance sheets into the functional currency USD of the companies in the Container segment.

After taxes, there is a consolidated net income of EUR K 4,634 (p.y. consolidated net loss of EUR K -15,616).

2.3 FINANCIAL SITUATION

Cash flow from ongoing operating activities in the reporting period amounted to EUR K 20,867 following EUR K 14,541 in the comparison period 1 January 2017 to 30 June 2017 (previous year). The cash flow from investment activity in the reporting period amounted to EUR K -84,206 (previous year: EUR K -15,364). The investments of EUR K 87,630 in property, plant and equipment in the first half of 2018 were significantly larger than in the previous year’s period (previous year: EUR K 18,116) Cash flow from financing operations amounted to EUR K 56,302 (in the comparison period: EUR K -26,991). This resulted mainly from taking up new financial liabilities, which exceed the repayments of financial liabilities and interest payments.

2.4 ANALYSIS OF NET ASSETS

Key elements on the assets side of the consolidated balance sheet (including real estate properties held as Finance investment of 30 June 2018 amounting to EUR K 523,765 (31 December 2017: EUR K 448,460). The increase results essentially from investments made in Rail and Container division but also from the acquisition of al logistic real estate property in Alsdorf.

Current assets decreased to EUR K 44,539 compared to EUR K 53,486 as of December 31, 2017. While trade receivables remained at almost the same level at EUR K 10,378 (31.12.2017: EUR K 10,388) with a significant increase in sales, liquid funds decreased from EUR K 14,908 to EUR K 8,097. Current assets and advance payments declined slightly from EUR K 17,059 to EUR K 16,106.

On the liabilities side, equity capital in the consolidated balance sheet increased from EUR K 21,602 to EUR K 26,586 due to the results trend compared to 31 December 2017. Non-current debts decreased from EUR K 392,374 as of December 31, 2017 to EUR K 318,074 as of June 30, 2018. By contrast, current debts increased from EUR K 105,522 to EUR K 244,466. The increase is mainly attributable to Aves Rail GmbH. Due to the long-term refinancing of the company's existing rail portfolio after the end of the reporting period, current liabilities have fallen significantly again.

3 SUPPLEMENTARY REPORT

General Meeting

Approval of actions and auditor

In addition to the presentation of the annual financial statements and consolidated financial statements, the Ordinary General Meeting on 21 August 2018 also resolved the discharge of the Management Board and of the Supervisory Board for the 2017 business year and the election of the annual auditor for the

2018 business year and for the audit reviews of interim financial statements for 2018 and 2019, Mazars GmbH & Co. KG, audit company and tax consultancy.

Capital measures

Cancellation of the remaining authorized capital 2017 (Section 4, Para. 5 of the Articles of Incorporation) and the creation of a new authorized capital 2018 with the option to exclude pre-emptive rights, together with the corresponding amendments to the Articles of Incorporation, were resolved.

Thereafter, a resolution was adopted to enable the issue of convertible bonds, warrant bonds and participation rights, with or without conversion or pre-emptive right(s), and to exclude the pre-emptive right.

Cancellation of the existing conditional capital 2016 and the creation of a new conditional capital 2018, together with the corresponding amendments to the Articles of Incorporation, were resolved.

A resolution was adopted to authorise the acquisition and disposal of own shares, subject to the exclusion of shareholders' subscription and tender rights.

Authorisation to use derivatives in the context of the acquisition and disposal of own shares pursuant to Section 71, Para. 1, No. 8 of the AktG (Stock Corporation Act), subject to the exclusion of subscription rights and exclusion of shareholders' tender rights, was also resolved.

Management Board

Mr. Peter Kampf relinquished his office as a member of the Aves One AG Management Board as of the expiry of 30 June 2018 for personal reasons. The Supervisory Board thanks Mr. Kampf for his contribution to building up and establishing the Container division and thus to the growth of Aves One AG. From 1 July 2018 onwards, the Management Board of Aves One AG comprises the two Board members Mr. Jürgen Bauer and Mr. Sven Meissner.

Acquisition of a freight wagon portfolio from the NACCO Group

Aves One AG has signed a purchase contract to acquire around 30% of the NACCO Group's freight wagon fleet. Closing of the acquisition, which still depends on the fulfilment of various conditions, is scheduled to take place early in the first quarter of 2018.

In March 2018, the relevant antitrust authorities approved VTG AG's acquisition of CIT Rail Holdings (Europe) SAS, owners of the NACCO Group, subject to the condition that around 30% of the freight wagon portfolio must be disposed of to a third party. The Swiss freight wagon leasing company Wascosa AG will take over the administration of the approx. 4,400 newly acquired freight and tank wagons, and will integrate them into its fleet.

The acquisition of 30% of the NACCO portfolio enables Aves One to more than double the asset volume of its own freight wagon portfolio from around EUR 240 million to over EUR 500 million. The new freight wagon portfolio contributes to a significant improvement in Aves One's key financial figures. The transaction is expected to make an annual revenues contribution of around EUR 37 million and an EBITDA contribution of around EUR 28 million in the first full year after closing.

Sale of the ERR Duisburg shareholding

The Aves Group uses external services providers to manage its fleet. In the context of this strategy, the 33.3% shareholding in European Rail Rent GmbH, Duisburg, was disposed of by contract of 16 July 2018. The sale of the investment is expected to have an effect on earnings of EUR 0.4 million in the third quarter 2018.

Refinance of Aves Rail Portfolio

Aves One AG announced on 3 September 2018 that it had been possible, ahead of schedule and subject to improved conditions, to refinance loan agreements with a volume of EUR 155 million concluded to partly finance the existing Rail portfolio. The considerably lower interest charge leads to an annual reduction in interest costs amounting to more than EUR 1.0 million.

Beyond that, there were no significant events after the balance sheet reporting date.

4 OPPORTUNITIES AND RISKS REPORT

4.1 RISIK MANAGEMENT

The Aves Group identifies possible risks in the framework of the risk management system at the earliest possible stage. The Management Board assesses and controls these risks in close collaboration with the company operating units. The integral components of the system are systematic risk identification and risk evaluation, whereupon measures to avoid, minimise and limit risks can be initiated. All significant risks are covered by an individual risk inventory of macro- and micro-risks. In this respect, special attention is paid to risks that could threaten the existence of the company, and to their early detection: if a possible event endangers the business model or profitability of an essential business division and thus the continued existence of the company, the Management Board will be informed of this quickly, at the latest quarterly, in the context of a Risk Register that must be updated monthly by all the company's managing directors. This enables countermeasures to be initiated or a strategy change tackled immediately.

In the risk assessment context, known risks are classified by the managing directors responsible for the respective Holding, Rail, Container and Real Estate divisions. This process involves grouping risks according to magnitude and occurrence probability. In this respect, the occurrence probability is divided into slight (0% - 33%), medium (33% - 66%) and high (66% - 100%). The maximum financial risk in EUR is assigned to each risk. Multiplication of the two variables gives the weighted risk, which allows direct ranking. The size of the weighted risk in EUR K yields a classification into four categories:

- Slight (< EUR K 1,000)
- Significant (EUR K 1000 – 5,000)
- Critical (EUR K 5,000 – 10,000)
- Threat to survival (> EUR K 10,000)

At and above a risk weighted as "Significant", this risk is especially monitored by the Management Board and division managing directors. Only critical risks will be presented in the context of this Interim Management Report.

You can obtain a comprehensive presentation of the Aves Group's risks in the 2017 Group Management Report, available via the Internet at http://www.avesone.com/de/aves_investoren_publikationen.html and in the Federal Gazette.

4.2 DESCRIPTION OF SIGNIFICANT RISKS

4.2.1 RISKS ASSOCIATED WITH CHANGES IN THE MARKET PRICES OF ASSETS

Container

The purchase and rental prices of von sea containers rose further in 2018. This is also associated with higher steel prices, as well as increased demand for transport capacities. With regard to freight rates, the market price risk in all business areas is countered by contracts with the longest possible terms. A dependence on price changes for the part of the portfolio with only short-term leases remains in the sea container market. Due to the high volatility, the risk is regarded as critical compared to the previous year.

4.2.2 RISKS ASSOCIATED WITH FOREIGN CURRENCIES CONTAINER

The Container area is billed in US Dollars, although it is largely financed in Euro for historical reasons. Depending on investment volumes and financing in the opposite currency, foreign currency risks may rise exponentially depending on the USD/EUR currency trend. The cash-relevant portion of this currency effect is small. The non-cash currency effect shown in the income statement does not become cash-effective until non-refinanced loans are repaid, and depending on the exchange rate existing at that time. Container purchases and sales, rental income billing, handling costs and management fees are transacted in US Dollars. Payments in operational business take place in US Dollars. Around two-thirds of financing currently takes place in Euro, and consequently a risk due to currency exchange rate fluctuations is depicted in the IFRS (International Financial Reporting Standards) consolidated financial statements. These currency exchange rate fluctuations have a small direct effect on the liquidity situation, since the ongoing repayments are spread over a prolonged period of time, albeit they do have a larger impact on the result. The conversion of Euro liabilities into the US Dollar functional currency can give rise to significant book profits/losses that directly affect the result and amount of equity capital. The Management Board regularly examines whether the use of exchange rate hedging measures appears appropriate. The risks existing in the Container division are seen as critical.

4.2.1 LIQUIDITY RISK

A liquidity risk exists when liquid funds are insufficient to enable the payment of financial obligations of a specific amount and at a specific time, especially in the case of the age-related or damage-related attrition of fixed assets. This risk holds true particularly for the repayment of and interest payments on financing measures at the end of the asset's lifetime. The Management Board guards against these risks by having adequate liquidity reserves in affiliated companies available at all times, to enable unexpected liquidity shortfalls to be overcome. Moreover, the company regularly prepares liquidity plans and matches these to the company's actual development. Aves keeps access to the capital market open at all times, to enable the most favourable alternative from among institutional investments, direct investments or bank loans to be chosen depending on the economic framework conditions. Therefore the Management Board does not expect any short-term liquidity bottlenecks to occur. Basically, the company has a continuing critical risk at the time of reporting, due to the planned growth and its importance to the company.

4.2.2 RISKS RELATED TO FINANCING

The Aves Group depends substantially on the maintenance of financing for its business activity, and in this respect on institutional investors, who represent a considerable part of the financing. Basically, repayments of financing amounting to around EUR 90 million across all business divisions are contractually fixed in 2018, a relevant part of which had already been paid at the time when the financial statement was prepared. For the remaining part, the Management Board assumes that the remaining repayment volume can be successfully refinanced, as in the past. This risk is assessed as critical.

4.3 OVERALL PICTURE OF THE RISK SITUATION

In addition to covering holding company fixed costs, the Aves Group's business model is based on achieving a critical company size to allow three mutually interacting factors to be safeguarded: the generation of capital, access to favourable financing conditions, and the acquisition of long lifetime logistics assets with a sustainably good cash flow performance in liquid markets.

Thus these three factors represent the essential risk areas. The Management Board's activities are shaped by an awareness of this situation. This is seen as the basis to further optimise financing subject to favourable conditions. Investment projects corresponding to the sustainability and returns specifications are initiated and developed in parallel. Closely associated with this is the supply of liquid funds that must be guaranteed at all times, firstly to meet obligations to investors, and secondly also to enable a fast response to investment opportunities offered by the market. In addition to all the other risk areas, which are subject to constant monitoring, the Management Board also considers that it is in a position, as a result of the expertise and stable shareholder structure existing in the company, to implement capital procurement measures successfully and when necessary, including with regard to the priority issues.

Thus, although substantial and even critical risks are present at the balance sheet date, there are no survival-threatening risks that endanger, either singly or in their totality, the company's continuing existence.

4.4 OPPORTUNITIES REPORT

The Aves Group's opportunities have increased, even compared to the previous year. Factors contributing to this are the acquisition of ca. 4,400 freight wagon (30% of the NACCO portfolio) described in the Supplementary Report, which will result in a significant rise in revenues and EBITDA, and also the increased capacity utilisation of logistics assets, higher leasing rates and the growing demand for logistics assets. The opportunities will be described based on their current importance for the Aves Group.

Rail

According to a target set by the European Commission, 50% of freight traffic is scheduled to change from road to other means of transport, e.g. rail or ship, by 2060. The ongoing discussion about fine dust pollution in road traffic and the growth in online trading will give further impetus to rail transport. Since state-owned rail companies have limited financing options, they are increasingly focusing on investments in the rail network and in passenger traffic. Leasing companies control approx. 65% of the freight wagon market in the USA, while the proportion in Europe, currently 30%, is rather low. Replacement investments are and will remain market drivers in the freight wagon area, because large replacement investments will be necessary in the coming years due to the high average age of the freight wagon fleet in Europe. According to information from operators and manufacturers, the number of wagons being produced is still fewer than are needed as replacement investments, and therefore a further rise in the average age of the fleet continues. Aves sees good opportunities to grow in this market and, through additional investments or expansion investments, to contribute to closing the increasing gap between demand and supply in the market; it therefore intends to enlarge this business division in particular, to a significantly greater extent, through further acquisitions. In addition to the focus on standard freight wagons that already exists, the Management Board anticipates that access to further growth can be relevantly expanded by enlarging the investment spectrum to include tank wagons.

Container

The containers market is particularly dependent on world trade, which according to International Monetary Fund estimates will grow by between 3.5% and 4% per annum by 2020. However, based on IWF (Kiel Institute for the World Economy) models, the IMF sees a risk that global economic performance in 2020 will lie around 0.5% below previous assumptions if current trade policy threats are implemented and the business climate collapses as a consequence of this.

In addition to a greater demand for transport, the increased price of steel also plays a role, particularly in the container area, resulting in container prices having risen significantly from USD 1,300 to USD 2,200 since mid-2016. New container purchases continue at a record level despite current high prices, which has a positive effect on the market and also opens up opportunities for a further increase in capacity utilisation together with higher rental rates. Since there is high margin pressure in the shipping industry at the same time, attractive container portfolios are regularly available for acquisition. Due to excellent market networking, new container portfolios have been offered to Aves again and again. Thus the favourable procurement of containers can be achieved in the presence of a growing demand for leased containers. It is expected that market participants, e.g. shipping companies, will continue to concentrate on their core business and will plan only limited budgets to procure new containers and, following the trend of recent years, will hold increasingly fewer logistics assets in their own ownership. Against this background of greater flexibility, shipping companies will increasingly lease containers from container companies who will, *inter alia*, use Aves Group containers in their work.

In the Special Equipment division, logistics companies in the so-called Courier, Express and Parcel market (CEP market) are among the main lessees of swap bodies. Increasing online trading in the B2C (Business-to-Customer) segment remains one of the main growth drivers. Significant further transport volume growth is expected in road freight traffic (in Germany). According to an estimate by the German Federal Association of Parcel and Express Logistics e. V., the swap bodies market will show 6.4% annual growth until 2019. Logistics specialists are concentrating on their core business, or for balance sheet policy reasons have no opportunities to procure these mobile investment assets. Thus these two factors accelerate the growth of leasing companies who are Aves Group's partners.

Real Estate

The approach involving investment in logistics real estate properties arose through linking together extensive experience in the logistics assets areas and a combination of existing real estate and financing know-how as well as an excellent partner/adviser network. Supported by the currently very positive market environment, we were able to check and implement initial projects in this area, and to build up a well-filled project pipeline. The logistics real estate property market is driven mainly by very strong growth in the trading area and by constantly changing consumer behaviour (e-commerce, Industry 4.0). As in the Container and Rail divisions, this area is also characterised by a long-term planning capability based on long-term leasing contracts.

The Aves Group's opportunities

If markets develop as forecast, and it is possible to implement the strategic measures planned by Aves, there are good opportunities to further increase capacity utilisation rates across all business divisions and thus to considerably improve the income position. Furthermore, current and future markets are being examined with regard to opportunities for strategic acquisitions, shareholdings or partnerships to allow organic growth to be augmented. Activities of this kind can strengthen the Aves Group's competitive position in those markets in which we currently operate, and can open up new markets or supplement the portfolio in selected regions. The Management Board considers that there is a high probability of being able to implement the planned measures.

4.5 OUTLOOK REPORT

In the Management Board's view, the Aves Group's business model rests on a solid foundation due to its business divisions. In this respect, the focus in the 2018 business year remains on the Rail segment. Investments in the first half of 2018, and the outlook over the coming months, show that the company could and will already use attractive opportunities here.

Compared to 2017, the Management Board expects considerably increasing sales revenues for the Rail and Container business divisions in the current 2018 business year. In addition to the investments made in the first half of 2018, this is to be achieved primarily through the acquisition of the NACCO fleet. For the same reason, the operating result (EBITDA) is expected to increase further. In the Rail division, the Management Board expects stable capacity utilization at a high level, while the utilization rate of container equipment is expected to continue to rise moderately after the strong increase at the beginning of the year.

Various forms of long-term financing are being examined to finance the Aves Group's growth, and essentially to enlarge its own assets by purchasing logistics assets portfolios. Additional financing measures are being negotiated. Absolute financing costs will rise further due to the planned asset growth.

With the existing financing operations, a further reduction in financing costs is being sought through refinancing/restructuring of financing. As stated in the Supplementary Report, it has already been possible to conclude further bank financing here, under significantly improved conditions. In this connection, as already occurred in 2017, a further reduction in relative financing costs is expected based on the refinancing measures and optimisation of the financing mix.

As also happened in the previous year, the Management Board points out that the Consolidated Financial Statement may be strongly influenced due to the fact that the Container segment and the entire operational business relating to it are transacted in USD, whereas financing activities are still partly concluded in EUR. With regard to the consolidated profit/loss for the 2018 business year, a further increase is expected in currency effects, the majority of which are non-cash-effective.

Hamburg, 27 September 2018

The Management Board

Jürgen Bauer Sven Meißner

CONSOLIDATED FINANCIAL STATEMENT – ASEETS

In KEUR	Note	30 Jun. 2018	31 Dec. 2017
Assets			
Intangible fixed assets	5.4.1	8,037	8,235
Property, plant and equipment	5.4.2	513,365	448,460
Financial investments accounted for at equity	5.4.2	10,400	0
Other financial investments		1,487	1,158
Deferred tax assets		634	2
Intangible fixed assets	5.4.3	10,663	8,784
Long term assets		**544,586**	**466,639**
Inventories		3,483	3,338
Trade accounts receivable		1,369	3,375
Financial receivables		10,378	10,388
Other assets and prepayments		4,944	4,277
Tax refund claims		16,106	17,059
Liquid funds		162	141
Inventories	5.4.4	8,097	14,908
Current Assets		**44,539**	**53,486**
Balance sheet total		**589,125**	**520,125**

CONSOLIDATED FINANCIAL STATEMENT – LIABILITIES

In KEUR	Note	30 Jun. 2018	31 Dec. 2017
Equity	5.4.5		
Subscribed capital		13,015	12,900
Capital reserves		40,043	39,391
Currency translation reserve		1,587	2,104
Group retained losses		-28,129	-32,793
Non-controlling interests		**70**	**0**
Equity of shareholders of parent company		**26,516**	**21,602**
Equity		**26,586**	**21,602**
Capital increases not yet registered on the balance sheet date		0	627
Liabilities			
Financial liabilities		305,475	383,079
Deferred tax liabilities	5.4.3	12,594	9,291
Provisions		4	4
Non-current liabilities		**318,073**	**392,374**
Tax liabilities		577	487
Advance payments received		91	0
Financial liabilities		234,864	96,188
Trade accounts payable		6,672	2,337
Other liabilities		2,217	6,466
Other accruals and provisions		45	44
Current liabilities		**244,466**	**105,522**
Total liabilities		**562,539**	**497,896**
Balance sheet total		**589,125**	**520,125**

CONSOLIDATED EARNINGS STATEMENT

In KEUR	Note	30 Jun. 2018	30 Jun. 2017
Sales revenues	5.3.1	32,366	24,459
Other operating income	5.3.4	1,337	1,825
Cost of materials and services	5.3.2	-5,803	-6,502
Personnel costs	5.3.3	-2,100	-1,540
Other operating expenses	5.3.5	-4,163	-5,568
Profit and loss shares of undertakings accounted for at equity, net of taxes	5.3.6	329	65
Earnings before interests, taxes, depreciation and amortisation (EBITDA)		**21,966**	**12,739**
Depreciation and amortisation		-8,719	-7,852
Operating result incl. at equity results (EBIT)		**13,247**	**4,887**
Interest and similar income		385	592
Interest and similar charges		-12,151	-10,442
Currency results related to financing		5,090	-12,415
Ancillary financing costs		-317	0
Discount from the emission of shares		-29	-1,804
Financial result	5.3.7	**-7,022**	**-24,069**
Earnings before tax (EBT)		**6,225**	**-19,182**
Taxes on earnings	5.3.8	-1,591	3,566
Consolidated gain/loss for the period		**4,634**	**-15,616**
Thereof attributable to			
Shareholders of group parent company		**4,664**	**-15,616**
Non-controlling shareholders		30	0
Earnings per share (diluted and undiluted): from continued businesses (EUR)		**0,36**	**-1,70**
From consolidated profit (EUR)		**0,36**	**-1,70**
Average number of shares in circulation (diluted and undiluted)		12,911,000	9,164,337

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In KEUR	30 Jun. 2018	30 Jun. 2017
Consolidated loss for the period	**4,634**	**-15,616**
Other comprehensive income		
Items subsequently reclassifiable to profit or loss		
Currency translation differences recorded in equity with no profit or loss effect	-517	894
	-517	**894**
Total changes in equity with no profit or loss effect	-517	894
· thereof relating at equity undertakings	0	0
Consolidated comprehensive income	**4,117**	**-14,722**
thereof attributable to:		
· ● Shareholders of group parent company	4,147	-14,722
· ● Non-controlling shareholders	-30	0
	4,117	**-14,722**
Consolidated comprehensive income (attributable to shareholders of group parent company):		
· ● from continued business areas	4,117	-14,722
	4,117	**-14,722**

CASH FLOW STATEMENT

in KEUR	30 June 2018	30 June 2017
Earnings before taxes for the period	**6,225**	**-19,183**
Earnings before taxes for the period	**6,225**	**-19,183**
plus/minus:		
Intangible fixed asset amortisation, tangible fixed asset depreciation and amounts written off other financial investments	8,719	7,852
Revaluation result from investment property (IAS 40)	-327	0
Changes in bad debt provisions for trade accounts receivable	4	288
Gains (-)/losses (+) on the sale/derecognition of tangible fixed assets	-98	1,190
Profit or loss share of entities accounted for at equity, after taxes	-329	-65
Interest income	-385	-592
Interest cost	12,151	12,246
Exchange gains (-)/losses (+) (not cash-effective)	-4,966	12,487
Expenses relating to issue of shares (disagio)	29	1,804
Operating Cash Flow before changes in working capital	**21,023**	**16,027**
Changes in working capital		
Increase (-)/Decrease (+) of:		
Inventories	0	-515
Trade accounts receivable not attributable to investing/financing activities	6	-104
Other assets and prepayments	-78	7,176
Increase (+)/Decrease (-) of:		
Trade accounts payable not attributable to investing/financing activities	4,335	-119
Other liabilities and other accruals and provisions	-4,253	-8,854
Operating cash flow	**21,033**	**13,611**
Payment of taxes on earnings	-166	923
Cash flow from ongoing business operations	**20,867**	**14,534**
Cash flow from investment activities		
Proceeds from disposals of property, plant and Equipment	3,604	2,670
Payments made for investments in property, plant and equipment	-87,630	-18,116
Receipts from financial asset investments in connection with short term financial management measures	0	82
Cash flow from financing activities	**-84,026**	**-15,364**

	30 Jun. 2018	30 Jun 2017
Cash flow from financing activities		
Receipts from capital injections by the shareholders	0	1,782
Payments made in connection with capitalized costs of equity increases	0	-98
Receipts from the issuing of bonds and financial loans	128,380	45,356
Amortization payments for bonds and financial loans	-62,214	-64,450
Interest paid	-9,864	-9,581
Cash flow from financing activities	**56,302**	**-26,991**
Cash-effective changes in liquid funds	-6,857	-27,821
Liquid funds brought forward	14,908	31,954
Changes in basis of consolidation	0	7
Exchange rate related changes in liquid funds	46	-359
Liquid funds carried forward	**8,097**	**3,781**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Number of shares in circulation	Issued share capital AG	Capital re-serves	Profit and loss reserves	Consolidated retained earnings	Currency translation differences	Attributable to shareholders of Aves One AG	Non controlling interests	Total equity
		in TEUR	*in TEUR*	*in TEUR*	*in TEUR*	*in TEUR*	*in TEUR*	*in TEUR*	*in TEUR*
Stand zum 01.01.2017	**8.910.000**	**8.910**	**15.984**	**0**	**2.205**	**1.391**	**28.490**	**0**	**28.490**
Balance at 01.01.2017	0	0	0	0	-34.980	713	-34.267	0	-34.267
Comprehensive income for the period	297.000	297	1.485	0	0	0	1.782	0	1.782
Capital increase (1/2017)	3.692.509	3.693	23.461	0	0	0	27.154	0	27.154
Capital increase (8/2017)	0	0	-1.891	0	0	0	-1.891	0	-1.891
Costs of obtaining capital Aves One AG capital increase	0	0	352	0	0	0	352	0	352
Tay effects on capital procurement costs	0	0	0	0	-18	0	-18	0	-18
Addition to the consolidated com-panies	**12.899.509**	**12.900**	**39.391**	**0**	**-32.793**	**2.104**	**21.602**	**0**	**21.602**
Balance at 31.12.2017									
	12.899.509	**12.900**	**39.391**	**0**	**-32.793**	**2.104**	**21.602**	**0**	**21.602**
Balance at 01.01.2018	0	0	0	0	4.664	-517	4.147	-30	4.117
Comprehensive income for the period	115.544	115	702	0	0	0	817	0	817
Capital increase (6/2018)	0	0	-50	0	0	0	-50	0	-50
Costs of obtaining capital Aves One AG capital increase	0	0	0	0	0	0	0	100	100
Addition to the consolidated com-panies	**13.015.053**	**13.015**	**40.043**	**0**	**-28.129**	**1.587**	**26.516**	**70**	**26.586**

AVES ONE AG NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST YEAR OF 2018

5 GENERAL INFORMATION

5.1 THE COMPANY

Foundation, company name, registered office, financial year and duration of the company

Aves One AG (hereinafter referred to as the "Company" or "Aves One AG"), the parent company of the Aves One Group (hereinafter referred to as the "Aves Group"), was founded by notarial deed dated 24 June 1898. The Company is registered as a listed stock corporation in the Commercial Register of Hamburg under the number HRB 124 894 at the Local Court of Hamburg. The registered office of the Company is at Große Elbstraße 61, Hamburg. The Company's fiscal year corresponds to the calendar year (January 1 to December 31). The duration of the company is unlimited. The shares of Aves One AG are traded in the Prime Standard (regulated market) of the Frankfurt Stock Exchange and in the General Standard (regulated market) of the Hamburg and Hanover Stock Exchanges.

Scope of Business

Aves One AG acts as the Group holding company and manages domestic and foreign investments and financial assets in its own name and for its own account, and manages its own assets.

Business areas of the Aves One Group

The Aves Group is a logistics group that specialises in maintaining inventory stocks and managing mobile logistics equipment. The Aves Group invests in long lifetime logistic assets with sustainable good cash flow performance in liquid markets. Key activities are the Rail, Container and Real Estate business divisions. The foundations for the continuous build-up and expansion of its business operations are good accesses to the equipment market, the management’s comprehensive knowledge on the subject of financing, and an excellent network of partners in both areas.

In particular, the first half of the business year involved pushing forward commitment in the Rail and Container divisions through the acquisition of rail trucks and containers together with swap bodies.

An external service provider performs this leasing of logistics equipment.

5.2 BASIS OF PREPARATION OF THE GROUP FINANCIAL STATEMENTS

The condensed interim consolidated financial statement of the Aves One group for the period from 1 January 2018 until 30 June 2018 has been prepared in accordance with the IAS 34 interim reporting rules and the relevant interpretation of the International Financial Reporting Standards Interpretations Committee (IFRIC) for interim reporting, as applicable in the European Union (EU). Accordingly, this statement of the interim report pursuant to IAS 34 does not include all information and notes, as are required for a comprehensive consolidated financial statement pursuant to IFRS. It must therefore be read in conjunction with the consolidated financial statement as per 31 December 2017.

These condensed consolidated interim financial statements and the interim group management report of Aves One AG have not been audited in accordance with § 317 HGB but have been reviewed by an auditor in accordance with § 115 (5) WpHG.

The interim consolidated financial statement comprises the period from 1 January 2018 until 30 June 2018. The general accounting and valuation principles that have been applied correspond to the previous consolidated financial statement as per the end of the business year 2017.

As per the status of this statement there have been no changes to the annual consolidated financial statements or the condensed interim consolidated statement as a result of adopting the newly applicable standards as of 1 January 2018. The Aves One group interim statement has been drawn up in Euro. Unless otherwise stipulated, values have been given in thousand EUR (EUR k).

Since the calculation of single items is based on absolute figures, rounding differences may arise where amounts are shown in denominations of thousand EUR.

Special seasonal influences do not exist in the Aves One group business.

5.3 DEFINITION OF EBITDA, EBIT, EBT

Alternative indicators are used in these financial statements. These include all key figures that are not defined in the relevant accounting standards. These indicators include EBITDA, EBIT and EBT, which were used in the 2017 Annual Report and are also used in the 2018 Half-Year Report.

EBITDA comprises all income statement items with the exception of depreciation, amortization, interest and similar expenses, interest and similar income, discounts from the issue of shares, currency effects on financial receivables and liabilities, ancillary financing costs and income taxes.

EBIT comprises EBITDA and depreciation and amortization for the financial year.
EBT comprises EBIT as well as interest and similar expenses, interest and similar income as well as expenses and income from currency translation of financial liabilities and financial receivables, discounts from the issue of shares and ancillary financing costs.

5.4 GROUP OF CONSOLIDATED COMPANIES AS PER 30 JUNE 2018

Apart from Aves One AG, the interim statement for 2018 includes a total of 64 domestic subsidiaries. In comparison to 31 December 2017, the following companies have been included in the group of consolidated companies through formation:

- BSI Logistics IX GmbH & Co. KG (Shareholder: BSI Blue Seas Investment GmbH, BSI Achte Verwaltungs GmbH); the company belongs to the segment „Container".
- Aves LI Alsdorf Betriebs GmbH, Hamburg (Shareholder: Aves LI Alsdorf Holding GmbH & Co. KG, MAGNA Erste Projekt GmbH (Minor Shareholder with 5,1%)); the company belongs to the segment „Real Estate".
- Aves Rail Equipment IV GmbH & Co. KG, Hamburg (Gesellschafter: Aves Rail Equipment Holding GmbH, Aves Rail Equipment Vierte Verwaltungs GmbH); the company belongs to the segment "Rail".
- Aves Rail Equipment Vierte Verwaltungs GmbH, Hamburg (Gesellschafter: Aves Rail Equipment Holding GmbH); the company belongs to the segment "Rail".
- Aves Eins GmbH, Wien (Gesellschafter: ARHA Invest GmbH); the company belongs to the segment "Rail".
- Aves Rail Rent GmbH, Wien (Gesellschafter: ARHA Invest GmbH); the company belongs to the segment "Rail".

In all cases, these are fully consolidated investments. All investments with the exception of the investment in Aves LI Alsdorf Betriebs GmbH are 100% investments. MAGNA Erste Projekt GmbH holds a 5.1% minority interest in Aves LI Alsdorf Betriebs GmbH.

No companies were removed from the scope of consolidation.

6 SEGMENT REPORTING

Key earnings figures including segment sales revenues, costs of purchased services, EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation), EBIT (Earnings Before Interest and Taxes) and EBT (Earnings Before Taxes) are presented in the Segment Reporting, since these key figures are also referred to as supporting taxation and assessment parameters for value-based company management.

The key figures Sales Revenues, EBITDA, EBIT and EBT have been adjusted for allocations to the costs of the holding companies, since these are not a constituent of segment taxation and are also regularly impacted by one-off effects. These allocations (earnings for holding companies, expenses in the individual companies) are also not a constituent of consolidated total income, since they are eliminated in the context of the consolidation of income and expenditure.

The sales revenues are currently generated by group companies that are all based in the European Union. Substantial parts of the sales revenues of the "Rail" segment result from a shareholding interest in Austria, otherwise all the sales revenues result from companies based in Germany. Thus there is no region-based taxation.

The previous year's presentation of segment reporting has been adjusted according to the changes described in Point 5.1 of the 2017 consolidated annual financial statements in order to establish comparability of the segment data. In particular, this means a presentation of the "Real Estate" segment, and combining certain companies from the former "Miscellaneous" segment with the "Container" segment.

Financial Figures by Segments

The Segments for the quarter ending on 30 June 2018 remain unchanged in relation to the statement as per 31 December 2017 and can be depicted as follows based on internal reporting:

Financial Figures by Segments per 30 June 2018

In KEUR	Reporting segments				Reconciliation to group		
	Container	Rail	Real Estate	Total	Holding-activities	Consoli-dation	Group result
Sales							
External sales revenues	14,461	14,944	210	29,615	2,751	0	32,366
Inter-segment sales revenues	0	0	0	0	17	-17	0
Total sales revenues	14,461	14,944	210	29,615	2,768	-17	32,366
Cost of purchased services	-2,336	-3,494	-6	-5,836	-5	38	-5,803
Salaries	0	-240	0	-240	-1,860	0	-2,100
Share of profit and loss of companies accounted for using the equity method, net of tax	0	329	0	329	0	0	329
Other segment sales and expenses	-154	-470	227	-397	-2,711	282	-2,826
Thereof revaluation result from invest-ment property (IAS 40)	0	0	327	327	0	0	327
EBITDA before holding allocations	**11,971**	**11,069**	**431**	**23,471**	**-1,808**	**303**	**21,966**
Depreciation and amortisation	-4,720	-3,925	-6	-8,651	-68	0	-8,719
EBIT before holding allocations	**7,251**	**7,144**	**425**	**14,820**	**-1,876**	**303**	**13,247**
Interest and similar income	1,070	0	1	1,071	1,828	-2,514	385
Interest and similar charges	-8,199	-4,992	-160	-13,351	-1,327	2,527	-12,151
Currency results related to financing	5,370	0	0	5,370	0	-280	5,090
Ancillary financing costs	-308	0	0	-308	3	-12	-317
Discount from the emission of shares	0	0	0	0	-29	0	-29
Financial Result	**-2,067**	**-4,992**	**-159**	**-7,218**	**475**	**-279**	**-7,022**
EBT before holding allocations	**5,184**	**2,152**	**266**	**7,602**	**-1,401**	**24**	**6,225**
EBT adjusted, before holding allo-cations	**-186**	**2,152**	**266**	**2,232**	**-1,401**	**304**	**1,135**
Taxes on Earnings	-826	-257	-964	-2,047	456	0	-1,591
Consolidated net income/- loss	**4,358**	**1,895**	**-698**	**5,555**	**-945**	**24**	**4,634**
Total assets	**323,154**	**264,883**	**15,247**	**603,284**	**125,995**	**-140,154**	**589,125**
Tangible assets by segment	**269,054**	**244,102**	**10,359**	**523,515**	**250**	**0**	**523,765**
Investments by segment	**53,073**	**25,056**	**9,500**	**87,629**	**0**	**0**	**87,629**
Total liabilities	**349,241**	**253,514**	**16,503**	**619,258**	**51,736**	**-108,455**	**562,539**

Financial Figures by Segments per 30 June 2017

In KEUR	Reporting Segments				Reconciliation to the group		
	Container	Rail	Real Estate	Total	Hol-ding activi-ties	Conso-lidation	Group result
Sales							
External sales revenues	11,263	12,818	5	24,086	373	0	24,459
Inter-segment sales revenues	114	7	0	121	0	-121	0
Total sales revenues	11,377	12,825	5	24,207	373	-121	24,459
Cost of purchased services	-3,907	-2,859	14	-6,752	0	250	-6,502
Salaries	0	-239	0	-239	-1,301	0	-1,540
Share of profit and loss of companies accounted for using the equity method, net of tax	124	-59	0	65	0	0	65
Other segment sales and expenses	-3,899	-662	-162	-4,723	1,438	-458	-3,743
EBITDA before holding allocations	**5,987**	**9,485**	**-143**	**15,329**	**-2,260**	**-330**	**12,739**
Depreciation and amortisation	-4,092	-3,745	0	-7,837	-15	0	-7,852
EBIT before holding allocations	**1,895**	**5,740**	**-143**	**7,492**	**-2,275**	**-330**	**4,887**
Interest and similar income	2,481	0	0	2,481	691	-2,580	592
Interest and similar charges	-8,340	-4,061	-147	-12,548	-440	2,546	-10,442
Currency results related to financing	-12,415	0	0	-12,415	0	0	-12,415
Ancillary financing costs	0	0	0	0	0	0	0
Discount from the emission of shares	0	0	0	0	-1,804	0	-1,804
Financial result	**-18,274**	**-4,061**	**-147**	**-22,482**	**-1,553**	**-34**	**-24,069**
EBT before holding allocations	**-16,379**	**1,679**	**-290**	**-14,990**	**-3,828**	**-364**	**-19,182**
EBT adjusted, before holding allo-cations	**-3,964**	**1,679**	**-290**	-2,575	**-3,827**	**-364**	**-6,766**
Taxes on Earnings	3,122	-249	82	2,955	548	63	3,566
Consolidated net income/-loss	**-13,257**	**1,430**	**-208**	**-12,035**	**-3,280**	**-301**	**-15,616**
Total assets	**268,080**	**241,790**	**3,917**	**513,787**	**48,254**	**-60,398**	**501,643**
Tangible assets by segment	**213,002**	**227,630**	**0**	**440,632**	**65**	**-196**	**440,501**
Investments by segment	**14,887**	**5,203**	**0**	**20,090**	**0**	**0**	**20,090**

7 DISCLOSURES TO THE CONSOLIDATED IN-COME STATEMENT

7.1 SALES REVENUES

Revenues rose from KEUR 24,459 to KEUR 32,366, primarily due to the acquisition of additional portfolios in the rail and container segments in the second half of 2017 and in 2018. In addition, capacity utilization in both segments improved significantly compared to the previous year.

7.2 COST OF MATERIALS AND SERVICES

The cost of materials and services declined from KEUR 6,502 to KEUR 5,803 in contrary to development of revenues, although the number of assets under management continued to grow.

The decline results on the one hand from the advanced clearing of the depot, which was initiated at the end of 2017 and thus reduced depot fees for unleased containers, and on the other hand the capacity utilisation situation is significantly more positive than in the first half of 2017, which also leads to reduced depot fees.

7.3 PERSONNEL COSTS

Personnel expenses developed from KEUR 1,540 in the period from January to June 2017 to KEUR 2,100 in the period from January to June 2018. This corresponds to an increase of 36.4%. The increase in personnel expenses mainly results from CH2 AG, which was not fully consolidated in the consolidated financial statements in the comparable period of the previous year.

The average number of employees rose from 31 in the first half of 2017 to 39 in the first half of 2018. As of June 30, 2018, the company had 40 employees (June 30, 2017: 31 employees).

7.4 OTHER OPERATING INCOME

The other operating income of KEUR 1,337 results in the amount of KEUR 777 from disposals of fixed assets including the adjustment of the depot (previous year: KEUR 67).

In addition, other operating income includes other miscellaneous income of TEUR 232 (previous year: TEUR 133) and, for the first time in accordance with IAS 40, results of TEUR 327 from the revaluation of the logistics property in Alsdorf. The valuation result is based on an expert opinion by Jones Lang LaSalle SE, which determined a fair value of TEUR 10,400 for the property.

7.5 OTHER OPERATING EXPENSES

Other operating expenses rose from EUR 5,568 thousand in the comparable period to KEUR 4,163.

The main component of these expenses are external brokerage commissions of KEUR 1,089 paid by CH2 AG to external brokers to broker financing. There were no such items in the same period of the previous year, as CH2 AG was accounted for using the equity method in the first half of 2017.

In addition, other operating expenses essentially include losses from asset disposals amounting to TEUR 679 (previous year: TEUR 1,397) as well as fees, charges and consulting costs amounting to TEUR 572 (previous year: TEUR 783) and purchased services amounting to TEUR 417 (previous year: TEUR 345).

7.6 PROFIT AND LOSS SHARES OF UNDERTAKINGS ACCOUNTED FOR AT EQUITY, NET OF TAXES

The share of earnings from investments accounted for using the equity method developed from KEUR 65 for the period from January to June 2017 to KEUR 329 for the same period in 2018. The earnings contribution resulted entirely from the investment in ERR Duisburg.

7.7 FINANCIAL RESULT

In addition to interest and similar income, which declined slightly from KEUR 592 to KEUR 385, the financial result also includes interest and similar expenses - which rose by approx. 16.4% from KEUR 10,442 to KEUR 12,151 induced by the growth in assets and the associated financing as well as the currency result from financing activities, which contributed income of KEUR 5,090 in the first half of the year. In the same period of the previous year, an expense of TEUR 12,415 had been reported.

The development of the exchange rate from January 1, 2018 to June 30, 2018 was from 1.1993 to 1.1658, which corresponds to an increase in the USD of around 2.8%. In the period from January 1, 2017 to June 30, 2017, there was a development from 1.0541 to 1.1412 and thus a loss in value of just under 8.3%. This change in the valuation of the USD led to a corresponding difference in currency expenses in the valuation of euro-denominated receivables and liabilities in the companies that have the USD as their functional currency.

Furthermore, the financial result essentially includes ancillary financing costs, which primarily arose in connection with the ongoing management of investors in connection with direct investments. These amounted to KEUR 317 in the reporting period.

In addition, the financial result includes non-cash special expenses of EUR 29 thousand in connection with the debt conversions carried out by issuing equity instruments. The application of IFRIC 19 resulted in non-cash book losses due to share price fluctuations on the market, which are shown in the financial result. These effects are not recurring, but cannot be excluded from comparable capital measures in the future either.

7.8 TAXES ON EARNINGS

The development of deferred taxes is significantly influenced by the development of new tax loss carryforwards in individual companies on the one hand and by currency effects in the translation of Euro tax balance sheets into the functional currency USD in individual companies of the Container segment on the other. Against this backdrop, deferred taxes fluctuate to a large extent depending on the valuation of the US dollar (currency effects).

8 NOTES ON THE CONSOLIDATED BALANCE SHEET

8.1 INTANGIBLE FIXED ASSETS

Intangible assets continue to include mainly goodwill from the acquisition of CH2 Contorhaus Hamburg AG (KEUR 5,624, see annual financial statements 2017) and an agency commission of KEUR 1,964 for logistics properties.

Changes in this item mainly result from currency effects.

8.2 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

In the first half of 2018, there were several new acquisitions in all areas, namely Real Estate, Container and Rail Equipment. Investments were made in new containers and swap bodies as well as in new railway wagons. New additions in this area include tank cars for chemicals, gas and mineral oil. The assumed useful life for these wagons is also 45 years from the date of manufacture.

There were no unusually high asset disposals - apart from the ongoing portfolio adjustments.

Property, plant and equipment increased from KEUR 448,460 at the end of 2017 to KEUR 513,365, an increase of KEUR 64,905 or 14.5%.

The acquisition of the property in Alsdorf, which is valued at KEUR 10,400 in accordance with IAS 40 using the fair value model and shown under "Investment property", is shown separately from property, plant and equipment. The value is based on an expert opinion by Jones Lang LaSalle SE dated 18 December 2017.

The Company has exercised the option in IAS 40 to subsequently measure the fair value model, according to which the property is measured at fair value on the balance sheet date and changes in value are recognised in the income statement. As part of the revaluation, income of KEUR 327 was recognised in other operating income (see notes there).

The scope of investments - including investments in properties held as financial assets - amounted to KEUR 87,630.

When changing the balance sheet item property, plant and equipment, it should be noted that currency effects resulting from the translation of the USD balance sheets into the presentation currency EUR also play a role here.

8.3 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets result primarily from loss carryforwards. Since the tax balance sheet is originally prepared in the currency of taxation (EUR), but the financial statements of most companies in the sea container sector are prepared in their functional currency USD, the loss carryforwards are subject to fluctuations due to currency effects that have a direct impact on deferred taxes.

The deferred tax liabilities mainly relate to valuation differences in fixed assets, which are also influenced by the currency effects described above.

Deferred tax assets and liabilities are in general offset to the extent they relate to the same tax authority and fall due simultaneously.

Value adjustments on deferred tax assets have been made to the extent that they are not ex-pected to be usable within the next five years.

8.4 LIQUID FUNDS

The freely available cash and cash equivalents amount to KEUR 8,097 after KEUR 14,908 at the end of 2017. In addition, there are restricted cash and cash equivalents in the amount of KEUR 7,515, which are reported under other assets and advance payments.

8.5 EQUITY

The development of equity is disclosed in the statement of changes in equity.

In addition to the effects of the result and the currency translation adjustment item, equity was mainly influenced by the registration of a capital measure from the previous year, which resulted in the item "Capital increases not yet registered on the balance sheet date" of 31 December 2017 being allocated to share capital and capital reserves in accordance with the capital increase carried out.

For details, please refer to the statement of changes in equity.

8.6 LIABILITIES

Liabilities developed largely in line with new investments. Compared with 31 December 2017, there has been a shift in maturities from non-current to current liabilities. This postponement results from a loan with a volume of more than EUR 130 million, which has to be reported under short-term loans for the first time as of 30 June 2018. This loan has since been refinanced and will then be recognised as a non-current financial liability in future financial statements. Please refer to section 5.7 for further information.

With regard to the legal dispute between a group company ("BSI") and SLI Dritte Verwaltungsgesellschaft mbH & Co. KG ("SLI third parties"), please refer to section 3.2 of the consolidated financial statements for 2017.

The following changes have occurred since 31 December 2017:

On 7 June 2018, the Regional Court announced the first-instance decision in this case; in this decision, the Regional Court granted the declaratory action of the SLI to third parties. In spite of undisputedly partly damaged containers, according to the judgement, BSI was only obliged to accept the boxes when they were handed over and SLI could and had to sort out the defective boxes for third parties.

In this legal dispute, BSI filed a counterclaim in the form of a step action as an alternative, namely for information on the revenues generated and then for payment of those revenues (essentially container rents) which SLI has collected from third parties since 1 July 2014 with the containers involved in the dispute. It can be roughly assumed that the container manager paid out an amount of approximately USD 3,000,000.00 to SLI third parties during the above-mentioned period.

On the advice of its lawyers, the BSI will lodge an appeal against the first-instance decision.

Because the judgment is a declaratory judgment, the judgment cannot be enforced on acceptance and payment of the remaining containers. As a result, SLI is not entitled to a direct payment claim by third parties as a result of the judgment. On 19 June 2018, the Regional Court issued a cost determination order in this case, according to which BSI is to pay EUR 143,640.50 plus interest at 5 percentage points above the base interest rate to SLI third parties since 14 June 2018 (subject to a possibly deviating cost decision in higher court). This claim would only be enforceable against a security of 110% of the amount to be enforced. BSI has offered SLI the provision of a bank guarantee to third parties to prevent enforcement of this cost claim.

The litigating law firm as well as a separately appointed law firm assume with a predominant probability that the judgment will not be confirmed in the appeal instance and that the declaratory action will be dismissed as unfounded. Against this background, there were no changes in the provisions recognised in connection with this process.

9 REPORTING ON FINANCIAL INSTRUMENTS

Financial instruments are contractual arrangements which result in rights or commitments of the Group. These result in an outflow or inflow of financial assets. In accordance with IAS 32 and IAS 39 they include originated and derivative financial instruments. Originating financial instruments include in particular balances at credit institutions, receivables, payables, loans and interest accruals. In fiscal 2018, two derivative financial instruments (interest caps) existed until 30 June 2018. No formal hedge relationship exists, so that hedge accounting does not apply. The valuation is therefore at fair value through profit or loss.

Attributable fair values and carrying values for financial instrument in accordance with valuation categories

The classification in accordance with IFRS 7 is based on balance sheet items. Homogeneous items such as trade accounts receivable from and payable to third parties, non-consolidated subsidiaries and other related parties or businesses are aggregatedFolgende Kategorien wurden gem. IAS 39 verwendet:

Loans and Receivables	LaR
Financial assets at fair value through profit or loss	FVTPL
Financial liabilities measured at amortised cost	FLAC
Available for Sale	afS

The following tables show the attributable fair values as well as the carrying values of the financial assets and financial liabilities included within the balance sheet in the 2017 business year as well as the prior year.

in KEUR	IAS 39 category	Book value 30 June 2018	valuation under IAS 39 Amortisised costs	Attributable fair value
Book values, recorded balances and attributable fair values by category:				
Long term financial assets without interest cap	afS	0	0	0
Long term financial assets - interest cap	FVTPL	634	976	634
Trade accounts receivable	LaR	10,378	10,378	10,378
Financial receivables	LaR	4,944	4,944	4,944
Other receivables and other financial assets	LaR	13,814	13,814	13,814
Cash and cash equivalents	LaR	8,097	8,097	8,097
Long term financial liabilities	FLAC	305,475	305,475	305,475
Trade accounts payable	FLAC	6,672	6,672	6,672
Other financial liabilities: short term portion of long term financial liabilities	FLAC	234,864	234,864	234,864
Other liabilities	FLAC	2,262	2,262	2,262
Aggregated balances in accordance with IAS 39:				
Financial assets available for sale	afS	0	0	0
Financial assets at fair value through profit or loss	FVTPL	634	976	634
loans and receivables	LaR	37,233	37,233	37,233
Financial liabilities measured at amortized cost	FLAC	549,273	549,273	549,273

in KEUR	IAS 39 category	Book value 30 June 2017	valuation under IAS 39 Amortisised costs	in KEUR	IAS 39 category
Book values, recorded balances and attributa values by category:					
Long term financial assets without interest cap	afS	0	0		0
Long term financial assets - interest cap	FVTPL	2	2		2
Trade accounts receivable	LaR	10,388	10,388		10,388
Financial receivables	LaR	4,277	4,277		4,277
Other receivables and other financial assets	LaR	17,059	17,059		17,059
Cash and cash equivalents	LaR	14,908	14,908		14,908
Long term financial liabilities	FLAC	383,079	383,079		383,079
Trade accounts payable	FLAC	2,337	2,337		2,337
Other financial liabilities: short term portion of long term financial liabilities	FLAC	96,188	96,188		96,188
Other liabilities	FLAC	6,466	6,466		6,466
Aggregated balances in accordance with IAS 39:					
Financial assets available for sale	afS	0	0		0
Financial assets at fair value through profit or loss	FVTPL	2	2		2
loans and receivables	LaR	46,632	46,632		46,632
Financial liabilities measured at amortized cost	FLAC	488,070	488,070		488,070

Trade accounts receivables, other financial assets and liquid funds are generally of a short term nature. As a consequence, their book values are generally equivalent to attributable fair values.

Trade accounts payable, other financial debt as well as other financial liabilities are generally of a short term nature, so that their book values generally correspond with attributable fair values.

Loans from credit institutions, institutional investors as well as direct investors are valued at amortised cost. As interest rate and credit risk have not fluctuated significantly in the past two years, it is considered that the carrying values of financial liabilities are equivalent to attributable fair values (according to market values, level 1 in accordance with IFRS 13).

9.1 COMMENTS ON THE CONSOLIDATED CASH FLOW STATEMENT

Payments for investments in the amount of EUR 50 million relate to the Sea Container segment and EUR 25 million to the Rail segment.

Liquid funds comprise items such as short term deposits with a term not exceeding three months.

Restricted cash and cash equivalents are reported under financial receivables (KEUR 7,514 as of June 30, 2018 and KEUR 6,696 as of 31 December 2017).

9.2 POST BALANCE SHEET DATE EVENTS

General meeting

Approval of the actions of the Management Board and The Supervisory Board and election of the Auditor

In addition to the presentation of the annual financial statements and the consolidated financial statements, the Annual General Meeting on 21 August 2018 also approved the actions of the Management Board and the Supervisory Board for the 2017 financial year as well as the appointment of the auditor for the audit review as at 30 June 2018, Mazars GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, for the 2018 financial year.

Capital measures

It was resolved to cancel the remaining Authorized Capital 2017 (Section 4 (5) of the Articles of Association) and to create a new Authorised Capital 2018 with the option of excluding subscription rights and to amend the Articles of Association accordingly.

This was followed by the resolution on the authorisation to issue convertible bonds, bonds with warrants and profit-sharing rights with or without conversion or subscription rights and to exclude subscription rights.

The cancellation of the existing Contingent Capital 2016 and the creation of a new Contingent Capital 2018 as well as corresponding amendments to the Articles of Association were also resolved.

In addition, a resolution was passed authorising the Company to purchase and sell its own shares, excluding shareholders' subscription and tender rights.

The authorisation to use derivatives in connection with the acquisition and sale of treasury shares in accordance with section 71 (1) no. 8 of the AktG, excluding shareholders' subscription rights and tender rights, was also resolved.

Management Board

Peter Kampf has put down his office as director of Aves One AG at the end of 30 June 2018. The Supervisory Board thanks Mr Kampf for his contribution to the development and establishment of the container segment and thus to the growth of Aves One AG. Since 1 July 2018, the Management Board of Aves One AG consists of the two Management Board members Jürgen Bauer and Sven Meißner (since 1 February 2018).

Acquisition of a freight car portfolio from NACCO Group

Aves One AG has signed a purchase agreement for the acquisition of approximately 30 percent of the freight car fleet of the NACCO Group. The closing of the acquisition, which is still subject to the fulfilment of various conditions, is expected to take place at the beginning of the fourth quarter of 2018.

In March 2018, the relevant antitrust authorities approved the acquisition of CIT Rail Holdings (Europe) SAS, the owner of the NACCO Group, by VTG AG, subject to the condition that around 30 percent of the freight wagon fleet be sold to a third party. The Swiss freight car lessor Wascosa AG will take over the management of the approximately 4,400 newly acquired freight and tank cars on behalf of the Aves Group and integrate them into its fleet.

With the acquisition of 30% of the NACCO portfolio, Aves One can more than double the asset volume of its own freight car portfolio from around EUR 240 million to over EUR 500 million. The new freight car portfolio contributes to a significant improvement in the financial ratios of Aves One. In the first full year after closing, the transaction is expected to generate an annual revenue contribution of around EUR 37 million and an EBITDA contribution of around EUR 28 million.

Sale of ERR Duisburg shareholding

The Aves Group uses external service providers to manage its fleets. As part of this strategy, the 33.3% stake in European Rail Rent GmbH, Duisburg, was sold by contract dated 16 July 2018. The sale of the investment is expected to have an effect on earnings of EUR 0.4 million in the third quarter.

Refinancing Aves Rail portfolio

On 3 September 2018, Aves One AG announced that loan agreements with a volume of EUR 155 million concluded to partially finance the existing Rail portfolio could be refinanced ahead of schedule at improved conditions. The significantly lower interest burden leads to an annual reduction in interest expenses of more than EUR 1.0 million.

Further significant post balance sheet date events have not arisen.

9.3 PURCHASE COMMITTMENT

As of 30 June 2018, individual Group companies had purchase commitments for swap bodies and freight cars on order. These are to be delivered in full by the end of 2018. As of the reporting date, a total of 459 swap bodies with a volume of around EUR 4.2 million and 125 of a total of 185 freight cars with a volume of around EUR 11.7 million had not yet been delivered as a result of these orders.

Order commitments thus total around EUR 15.9 million.

9.4 RELATIONSHIPS WITH RELATED UNDERTAKINGS AND PERSONS

In addition to the subsidiaries included in the consolidated financial statements, the Aves One Group has direct or indirect relationships with related parties in the course of its normal business activities.

Detailed information on related party transactions can be found in section 13 of the notes to the 2017 consolidated financial statements.

9.5 SIGNIFICANT TRANSACTIONS WITH RELATED UNDERTAKINGS AND PERSONS IN THE BUSINESS YEAR OR THE PRIOR YEAR

In the first half of 2018, the following significant transactions were carried out with related parties - for further transactions and business relationships, please refer to the consolidated financial statements, as these are follow-up transactions for existing contracts (e.g. interest payments on loans):

(A) PURCHASE, RENTAL AND REPURCHASE AGREEMENTS WITH BOXDIRECT AG

As of 30 June 2018, there were financial liabilities to the related party in the amount of EUR 103,5 million. Interest expenses for financial liabilities in the reporting year arose at EUR 2.6 million.

In 2017, Aves One AG issued independent maximum amount guarantees for BoxDirect AG at EUR 20.0 million and EUR 8.0 million. The object of either is securing the repurchase obligations from Container direct investment business of BoxDirect AG. The guarantee remains in force until complete expiration of the repurchase obligations arising from container direct investment.

(B) PURCHASE, RENTAL AND REPURCHASE AGREEMENTS WITH BOXDIRECT VERMÖGENSANLAGEN AG

Under the existing KMR agreements the financial debt to the related party amounted to EUR 41.9 million as of 30 June 2018. Interest expenses for financial liabilities in the reporting year arose at EUR 1.0 million.

(C) PURCHASE, RENTAL AND REPURCHASE AGREEMENTS WITH BOXDIRECT ERSTE VERMÖGENSANLAGEN GMBH

Under the existing KMR agreements, BoxDirect Erste Vermögensanlagen GmbH provided the Group with loans in the amount of EUR 16.5 million in 2018, which increased the financial debt owed to the related party to EUR 16.5 million as of 30 June 2018. Interest expenses for financial liabilities in the reporting year arose at EUR 0.1 million.

(D) PROCUREMENT COMMISSION BOXDIRECT AG

With the letter of comfort dated 23 February 2017, Aves One AG assures that BSI Logistics GmbH, which holds all shares in BSI Blue Seas Investment GmbH, ensures that BSI Blue Seas Investment GmbH always has sufficient assets to fulfill its obligations under the service agreement dated 29 June 2016 between BSI Blue Seas Investment GmbH and BoxDirect AG.

The declaration is valid as long as Aves One AG is a shareholder of BSI Logistics GmbH and the service agreement has not yet been terminated, but until 31 December 31 2018 at the latest.

(E) SERVICE AGREEMENT WITH BOXDIRECT AG

On the basis of the existing service agreement with BoxDirect Vermögensanlagen AG, expenses amounting to EUR 1.0m.

(F) DEFERRED SETTLEMENT AND NETTING AGREEMENT WITH BOXDIRECT AG

In 2015, the contract parties agreed that the settlement of receivables from the SLR and service agreements may be deferred by mutual agreement, with related balances receivable bearing interest at a rate of 8.75 % p.a. It was furthermore agreed that, in order to simplify settlement procedures, balances falling due within the term of the agreement be treated on a basis equivalent to current account settlement procedures. At the end of each month, a netting process takes place with respect to balances receivable and payable, with the net balance being settled.

30 June 2018, the deferred settlement agreement gave rise to interest income of EUR 0.1 million and interest expenses in the amount of EUR 0.2 million; as of 30 June 2018, there was a receivable from BoxDirect AG arising from the deferral agreement in the amount of EUR 11.2 million.

9.6 INFORMATION ON RELATIONSHIPS WITH RELATED PERSONS AND UNDERTAKINGS

(1) TRANSACTIONS SHOWN IN THE PROFIT AND LOSS ACCOUNT

in KEUR	Note	First half year 2018	First half year 2017
Revenues from and costs charged by controlling entities			
Umsatzerlöse, sonstige betriebliche Erträge		0	45
Sales revenues, other operating income		0	0
Costs	J	0	327
Interest income		0	0
Interest expenses			
Revenues from and costs charged by other related persons or entities			
Sales, other operating income		2,701	287
Costs	C, D, E, K	2,421	1,145
Interest income	E, L	364	96
Interest expenses	A, B, E	3,789	4,627

(2) OPEN ITEMS IN BALANCE SHEET

in KEUR	Note	First half year 2018	First half year 2017
Receivables from controlling entities or persons			
From trading activities		0	3
Financial receivables	J	0	2,112
Other receivables		0	63
Receivables from other related entities or persons			
From trading activities	E	561	5,630
Financial receivables	E, L	18,352	13,610
Other receivables			0
Liabilities towards controlling entities			
From trading activities		0	0
Other liabilities		0	0
Liabilities towards other related entities or persons			
From trading activities	H	15,660	16,158
Financial debts	A, B	161,790	160,728
Other liabilities		0	17

9.7 RESPONSIBILITY STATEMENT OF LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group, and the combined management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group,

Hamburg, 27 September 2018

The Management Board

Jürgen Bauer Sven Meißner

REVIEW REPORT

To Aves One AG, Hamburg:

We have reviewed the condensed interim consolidated financial statements – comprising the statement of financial position, the income statement and the statement of comprehensive income, the condensed statement of cash flows, the condensed statement of changes in equity as well as selected explanatory notes to the financial statements – and the interim group management report for the period from 1 January until 30 June 2018, that are part of the half-year financial report under § 115 WpHG (Wertpapierhandelsgesetz: German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the entity's Management Board. Our responsibility is to issue a review report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the interim consolidated financial statements and of the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany). This standard requires that we plan and perform the review such that we can preclude through critical evaluation, with a limited level of assurance, that the condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

A review is limited primarily to inquiries of personnel of the entity and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit.

Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Hamburg, 28 September 2018

Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Dirk Jessen
Wirtschaftsprüfer
(German Public Auditor)

Dr. Oliver Heising
Wirtschaftsprüfer
(German Public Auditor)