Quarterly Statement
1st Quarter 2017
Aves One AG

ISIN DE000A168114

PERFORMANCE OF THE BUSINESS IN THE FIRST THREE MONTHS OF THE BUSINESS YEAR 2017

In the first three months of the current business year compared with the same period of the previous year, the Aves One AG Group (hereafter Aves Group) generated increasing sales revenues across all business divisions amounting to EURk 11,995 (comparison period: EURk 6,848). This revenue growth resulted mainly from portfolios acquired in the course of 2016, especially from the Rail and Special Equipment business divisions. Compared to the same period in the previous year, the EBITDA (currency-adjusted) has risen to EURk 5,741 (comparison period: EURk 2,478).

In the first three months of 2017 - in addition to the capital increase already carried out in 2016 - the Greenshoe option relating to 297,000 new shares was exercised in full on 23 January 2017.

Supervisory Board member Mrs. Britta Horney resigned her seat with effect as of the expiry of 28 February 2017. Following the Management Board’s application for judicial completion, Hamburg District Court appointed Mr. Ralf Wohltmann, businessman, as a member of the Supervisory Board with effect as of 1 March 2017. In the constituent meeting, Mr. Wohltmann was elected as Supervisory Board Chairman, and the previous Supervisory Board Chairman, Mr. Emmerich G. Kretzenbacher, was elected as Deputy Supervisory Board Chairman.

FINANCIAL POSITION, NET ASSETS AND RESULTS OF OPERATIONS

Compared to the same period in the previous year, the Aves Group generated sales revenues in the first three months of this year amounting to EURk 11,995 (comparison period: EURk 6,848). Due to the revenue-dependent remunerations of the asset managers, the costs of purchased services rose to EURk 3,360 (comparison period: EURk 1,921) and other operating expenses amounted to a total of EURk 14,473 (comparison period: EURk 13,450).

The other operating expenses contain mainly unrealised and thus non-cash exchange rate effects amounting to EURk 11,341 (comparison period: EURk 11,384). These result from the development of the exchange rate from EUR/USD 1.0541 as of 31 December 2016 to EUR/USD 1.0691 as of 31 March 2017. The total negative currency exchange rate effect for the first three months amounts to EURk 2,198 (comparison period: EURk 6,333) after offsetting against the exchange rate gains recorded under other operating income.

The EBITDA amounted to EURk 3,543 (comparison period: EURk -3.855). The EBITDA adjusted for the exchange rate effects described above amounted to EURk 5,741 (comparison period: EURk 2,478).

Due to the addition of assets acquired in 2016, mainly waggons in the Rail business division, depreciation rose to EURk 4,057 (comparison period: EURk 1,706). Interest costs increased compared to the previous year’s quarter to EURk 5,053 (comparison period: EURk 3,419).

The resulting EBT is EURk -5,406 (comparison period: EURk -8,723) and the resulting currency-adjusted EBT is EURk -3,208 (comparison period: EURk -2,390).

The Aves Group achieved a consolidated net loss in the reporting period of EURk 6,316 (comparison period: net profit of EURk 6,267).

Selected key financial figures in EURk	**31.03.2017**	**31.03.2016**
Sales revenues	11,995	6,848
Other operating income	9,296	5,195
of which currency exchange rate gains	9,143	5,051
Other costs	**-17,748**	-15,898
of which currency exchange rate losses	**-11,341**	-11,384
EBITDA	**3,543**	**-3,855**
EBITDA adjusted for currency effects	**5,741**	**2,478**
Depreciation and amortisation	-4,057	-1,706
EBIT	**-514**	**-5,561**
Financial result	-4,892	-3,162
EBT	**-5,406**	**-8,723**
EBT adjusted for currency effects	**-3,208**	**-2,390**
Taxes on earnings	-910	2,456
Consolidated net loss	**-6,316**	**-6,267**

The cash flow from operating activities in the reporting period amounted to EURk 4,477 (comparison period: EURk 5,253). The cash flow from investment activities in the reporting period amounted to EURk 2,030 (comparison period: EURk -545), whereof only minor investments of EURk 1,385 were made in fixed assets in the first three months of 2017. The cash flow from financing activities amounted to EURk -12,244 (comparison period: EURk -7,811). This results mainly from the repayment of financial liabilities, which exceeded new loans in the comparison period, needed to enable the financing of new asset portfolios or for refinancing discontinued loans.

The key elements on the assets side of the consolidated balance sheet as of 31 March 2017 were fixed assets amounting to EURk 439,378 (31.12.2016: EURk 445,400), cash totalling EURk 21,748 (31.12.2016: EURk 31,954) and accounts receivable from trading amounting to EURk 3,009 (31.12.2016: EURk 7,495).

On the liabilities side, due to the capital increase in conjunction with the greenshoe option (297,000 new shares) of EURk 297 the share capital increased up to EURk 9,207. The additional contribution to the capital surplus of EURk 1,485, reduced by capital procurement costs in connection with the greenshoe option resulted in a capital surplus of EURk 17,466. As a result of the earnings achieved in the first quarter 2017, equity decreased correspondingly from EURk 28,490 to EURk 22,326. Whereas financial liabilities amounted to EURk 453,028 (31 December 2016: EURk 468,938), trade accounts payable totalled EURk 11,616 (31 December 2016: EURk 8,687).

SUPPLEMENTARY STATEMENT

In April 2017, after the balance sheet date of 31 March 2017, the Aves Group utilised the currently very attractive overall conditions in the container market and acquired a portfolio amounting to around USD 6 million. This involves new containers carrying 5-year rental contracts that will be taken over by the corresponding shipping companies by June 2017 as planned. The portfolio is managed by UES International (HK) Holdings Limited.

Moreover, a portfolio consisting of used containers with an investment volume of around USD 4 million was also acquired in April 2017. The portfolio, which has a utilisation rate of around 90%, carries rental contracts with various different remaining lease terms and is managed by the prestigious managers CAI International, Inc. and UES International (HK) Holdings Limited.

Aves One AG ordered a total of 1,000 more swap bodies with an investment volume of around EUR 9 million from Fahrzeugwerke Bernard Krone GmbH & Co. KG in May 2017. All the transport containers are rented on long-term leases to one of Germany's leading parcel and freight service providers. The swap bodies are scheduled for delivery and handover to the hirers in tranches from mid-June 2017 to late November 2017.

OUTLOOK REPORT 2017

In addition to rising sales revenues, the first three months of 2017 also show an increasing EBITDA (before adjustment for currency effects). As described in the Supplementary Statement, it was already possible to acquire the first portfolios. As expected, the utilisation rate in the container area has increased furthermore since the start of the year. Likewise, it was possible to record further successes in the area of financing structure improvements, namely refinancing towards bank financing. Thus the Management Board confirms its forecast made in the 2016 Annual Financial Statements.

As a result of its four business segments, the Aves Group's business model rests on a solid foundation. In this respect, the focus in the business year 2017 is on the Rail and Container segments. Growth in the Rail area will increase steadily, and in the Container segment the company makes this dependent on attractive opportunities, with the result that equivalent investments in these segments can occur in the event of adequate opportunities for investment. There is also the intention to expand markedly the currently rather small Special Equipment and Resale Equipment business segment (particularly the Storage area).

Based on measures currently being implemented, the Management Board expects considerably higher sales revenues in the current business year 2017 compared to 2016. In addition to full consolidation for the first time of ERR Austria for the whole business year 2017 (only 2 months in 2016), the plan is to achieve this through further significant build-up of as-new logistics assets, self-storage parks and, if there are appropriate opportunities, the acquisition of logistics properties.

For the same reason, there is also expected to be a clear overall rise in the EBITDA (before currency exchange rate effects), the main drivers in this respect should be the Rail, Special and Resale Equipment business segments. A slight upward trend in the EBITDA before currency exchange rate effects is expected for the Container Equipment segment. Notice is given that currency effects may have a large effect on the consolidated financial statement.

With regard to the Container Equipment utilisation ratio, further moderate growth in utilisation is expected following the large rise at the start of the year. The utilisation ratio in the Rail Equipment segment is also expected to grow further to a high level.

Strong demand is expected in the Resale Equipment business area, especially for the Storage sub-area, which is still young.

Various long-term forms of financing are being examined to finance the Aves Group's growth, and thus essentially to increase its own asset volume by purchasing portfolios of mobile logistics assets. In this connection, efforts are being made to reduce further the financing costs via refinancing/financial restructuring. Bank financing arrangements have already been concluded here, and preliminary negotiations for further financing are already in progress.

A slight reduction in relative financing costs is expected in the Container Equipment, Special and Resale Equipment business. Financing costs in the Rail business area are expected to be at a constant low level, due mainly to the fact that they involve rather long-term bank financing arrangements. Due to the fact that the financing of the ERR takeover in the past year was taken into account only on a pro rata temporis basis, and a significant increase in assets is expected for business year 2017, an overall rise in absolute financing costs is to be expected for all business segments compared to the fiscal year 2016. With regard to the pre-tax consolidated Group result for the fiscal year 2017, a significant improvement is expected.

Hamburg, 31 May 2017
The Management

Peter Kampf | Henrik Christiansen | Jürgen Bauer

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Contact
Aves One AG
Grosse Elbstrasse 45
22767 Hamburg, Germany
Tel.: +49 (40) 696 528-350
Fax: +49 (40) 696 528-359
www.avesone.com
info@avesone.com

WKN: A16811
ISIN: DE000A168114