Aves One Interim Group Management Report for the 1st half of 2017

1. Bases of the Group

Aves One AG is a stock exchange listed (Prime Standard) company based in Hamburg. The main areas of activity of the Aves One AG Group ("Aves Group" hereinafter; Aves One AG as a single entity is also referred to as "Aves" or "Company") are the Container, Rail, Special and Resale Equipment business divisions. The Aves Group invests in long term logistics assets with sustainably stable cash flows in liquid markets. Very good access to the logistics equipment market as well as extensive management experience in the area of financing and an excellent network of partners from both areas form the basis of the continuing expansion of business activities. The aim is to achieve a further extension of operating activities in all business areas to attain an asset volume in the region of EUR 750 million by the end of 2018 and a total asset volume of at least EUR 1 billion managed by the Aves Group in the year 2020. In all four business divisions, the key measures implemented by the Group are growth by acquisitions and organic growth together with increased profitability.

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 2017 compared to the first half of the previous year. This revenue growth resulted primarily from portfolios already acquired in 2016, especially from the takeover of ERR in Vienna. The currency-adjusted EBITDA also rose from k EUR 3,652 in the first half of 2016 to k EUR 12,913 in the first half of 2017 for the same reason.

In the first half of 2017, the Aves Group made use of the current attractive economic conditions in the container market in April 2017, and acquired a portfolio with a volume of around k EUR 5,700. This involves new containers carrying 5-year rental contracts and scheduled to be accepted by the relevant shippers by July 2017. The portfolio is managed by UES International (HK) Holdings Limited.

Furthermore, a portfolio of used containers with a volume of around k EUR 3,900 was acquired in April 2017. The portfolio, with a capacity utilisation of around 90%, carries rental contracts with various remaining terms and is administered by the prestigious managers CAI International Inc. and UES International (HK) Holdings Limited. A further leased portfolio with a volume of around k EUR 4,000 was acquired in June. This involves new containers carrying 5-year rental contracts and scheduled to be accepted by the relevant shippers by July 2017. The portfolio is managed by UES International (HK) Holdings Limited.

Aves One AG ordered a total of 1,000 swap bodies with an investment volume of around k EUR 9,000 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.

Initial financings with banks specialising in these assets were also implemented in the context of the acquisition of this new portfolio. All the assets acquired in the first half of 2017 are managed by well-known asset managers and are rented to highly creditworthy lessees. Moreover, the first storage project in Münster was finalised, and leasing is progressing steadily.

Equity capital measures

In the first quarter of 2017 – in addition to the capital increase already made in 2016 – the greenshoe option from the cash capital increase relating to 297,000 new shares was fully exercised on 23 January 2017.

On 12 June 2017, the Aves One AG Management Board resolved to increase the equity capital from EUR 9,207,000.00 by EUR 1,557,831.00. 1.557.831 new shares were issued, with dividend entitlement from 1 January 2017 onwards. Shareholders' subscription rights were excluded. Receivables from Group companies amounting to more than k EUR 10,000 were contributed as consideration, and k EUR 475 in cash was paid as further consideration. The capital increase was entered in the Commercial Register on 25 August 2017. The measure is part of the strategy to strengthen the company's equity level.

Supervisory Board

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 constitutive 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.

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 k EUR 24,459 (p.y. k EUR 11,993). Of this, slightly more than k EUR 9,328 (p.y. k EUR 10,136) originated from the Container business division's sales revenues, and around k EUR 12,825 (p.y. k EUR 1,557) from the growing Rail business division.

The recognition of exchange rate effects in the reporting period was adjusted insofar as exchange rate effects resulting from financing activity are shown in the financial results. This leads to shifts in presentation regarding other operating income and expenses, and in the financial result. We have illustrated the effects of this change in presentation in the following Table.

	First half year 2017	First half year 2016	First half year 2016 (adjusted)
Sales Revenues	24,469	11,993	11,216
Other operating income	1,825	1,887	892
Other operating expenses	- 5,568	- 8,241	- 3,522
Currency result in the financial result	-12,415	0	- 2,947

Other operating income amounts to k EUR 1,825 (p.y. k EUR 892). The increase in other operating income is the result of the special feature that balance sheet accounting according to International Financial Reporting Standards (IFRS) is carried out in the currency in which main business is transacted, which in the container equipments area is US Dollars (USD) (the functional currency concept). The increase in the exchange rate from 1.0541 EUR/USD on 31 December 2016 to 1.1412 EUR/USD on 30 June 2017 yielded an income from currency conversion of k EUR 1,692 (p.y. k EUR 658).

Costs accrued in the reporting period were attributable essentially to materials costs, k EUR 6,502 (p.y. 3,837), and other operating expenses, k EUR 5,568 (p.y. k EUR 3,522), resulting mainly from exchange rate effects amounting to 1,787 k EUR (p.y. k EUR 492) that are unrealised and thus non-cash-effective at the present time. Furthermore, interest costs amounting to k EUR 10,442 (p.y. k EUR 6,336) arose. Looking at the reporting period overall, the combined companies made a before-tax loss of k EUR 19,182 (p.y. k EUR 8,570). The consolidated net loss amounting to k EUR 15,616 occurred essentially due to a currency effect of k EUR -12,510 (p.y. -2,781). This is attributable to the effects of the functional currency arising from the balance sheet date valuation of EUR liabilities, and to that extent it has only a slight impact on the Aves Group's cash flow.

Selected key financial figures in k EUR	**First half year 2017**	**First half year 2016**
Sales revenues	24,459	11,993
Other operating income	1,825	892 *
of which currency exchange rate gains	*1,692*	*658*
Income from equity holdings	*65*	*-21*
Other costs	-5,567	-4,299 *
of which currency exchange rate losses	*-1,787*	*-492*
EBITDA	**12,739**	**3,652 ***
Depreciation and amortisation	-7,852	-3,404
EBIT	**4,887**	**248***
Financial result	-24,069	-8,818*
EBT	**-19,182**	**-8,570**
Taxes on income and revenue	3,566	-128
Consolidated annual net loss	**-15,616**	**-8,698**

** Figures adjusted for other operating income, other operating expenses and financial result, see above.*

2.3 Financial Situation

Cash flow from operating activities in the reporting period amounted to k EUR 14,541 (following k EUR 4,731 in the comparison period 1 January 2016 to 30 June 2016) (p.y.). Cash flow from investment activity in the reporting period amounted to k EUR -15,364 (p.y. k EUR 264). The investments of k EUR 18,116 in property, plant and equipment in the first half of 2017 were significantly larger than in the previous year's period (p.y. k EUR 999). Cash flow from financing activities amounted to k EUR -26,991 (k EUR -8,264 in the comparison period). This resulted mainly from repaying financial liabilities and interest payments.

2.4 Analysis of Net Assets

Key elements on the assets side of the consolidated balance sheet as of 30 June 2017 were intangible assets of k EUR 2,369 (31 December 2016: k EUR 2,566), property, plant & equipment amounting to k EUR 440,501 (31 December 2016: k EUR 445,400), financial investments of k EUR 3,158 (31 December 2016: 2,962) and deferred tax liabilities amounting to k EUR 4,492 (31 December 2016: k EUR 1,831). Current assets consist of inventories amounting to k EUR 2,892 (31 December 2016: k EUR 2,376), trading accounts receivable of k EUR 12,502 (31 December 2016: k EUR 7,495), financial receivables amounting to k EUR 26,228 (31 December 2016: k EUR 14,591), other assets and advance payments of k EUR 5,503 (31 December 2016: k EUR 15,302), tax receivables of k EUR 217 (31 December 2016: k EUR 1,038) and cash amounting to k EUR 3,781 (31 December 2016: k EUR 31,954).

On the liabilities side, equity capital in the consolidated balance sheet decreased due to the results trend compared to 31 December 2016 from k EUR 28,490 to k EUR 24,375. While current and non-current financial debts amounted to k EUR 450,880 (31 December 2016: k EUR 468,938), deferred tax liabilities amounted to k EUR 4,892 (31 December 2016: k EUR 5,995), trade accounts payable were k EUR 19,062 (31 December 2016: k EUR 8,687), other liabilities k EUR 2,288 (31 December 2016: k EUR 13,312) and provisions/accrued liabilities k EUR 4 (31 December 2016: k EUR 4). Non-current debts developed from k EUR 318,391 as on 31 December 2016 to k EUR 347,691 as on 30 June 2017. On the other hand, current debts decreased, with a development from k EUR 178,634 to k EUR 129,577.

3. Supplementary Report

Capital increases and takeovers

After the reporting date, two further non-cash capital increases from the approved capital were authorised by the Management Board by resolution of 11 July 2017 and consent by the Supervisory Board on the same day.

The first non-cash capital increase through the issue of 1,277,611 new shares relates to a further exchange of liabilities for equity capital. Accounts due from Group companies amounting to around EUR 8.4 million were contributed as consideration for the issued shares. Shareholders' subscription rights were excluded in each case. Aves One AG made a cash payment of EUR 0.4 million as further consideration in the context of the capital increase.

A non-cash capital increase through the issue of 857,067 new shares and a one-off payment of EUR 0.5 million were authorised at the same time. 70% of the shares in CH2 Contorhaus Hansestadt Hamburg AG, Hamburg, were contributed as consideration. The remaining 30% was already held indirectly by Aves One AG.

Continuation of the exchange offers (outside capital conversions through the issue of equity capital instruments) is planned to further improve the financing structure. For this reason, a securities prospectus for BoxDirect AG was approved by the German Federal Agency for Financial Services Supervision (BaFin) on 29 August 2017. The framework of this public offer will enable not only selected creditors but also all direct investors to exchange their accounts due from the Aves Group for equity capital instruments. The intention of this measure is to further strengthen the equity capital basis.

The Company's improved equity capitalisation will have a direct positive effect on the size of the current capital service. Furthermore, the increase in equity capital will support the Company's strategic growth targets.

The capital increase through the non-cash contribution of receivables was entered in Aves One AG's commercial register on 25 August 2017, and the share capital thereby amounts to EUR 12,899,509.

General Meeting

The discharge of the Management Board and of the Supervisory Board for the business year 2016, and the election of the annual auditor for the 2017 business year, Roever Broenner Susat Mazars GmbH & Co. KG, audit company and tax consultancy, was also resolved at the Ordinary General Meeting on 29 August 2017, in addition to the Presentation of the annual financial statements and the consolidated financial statements.

The following other resolutions were adopted:
Since the term of office of all the Supervisory Board members expired at the end of the 2017 Ordinary General Meeting, the General Meeting elected the following persons for the next four years:

a.) Mr. Ralf Wohltmann, Director of Versorgungswerk der Zahnärzte Berlin KdöR, residing in Berlin
b.) Mr. Emmerich G. Kretzenbacher, Auditor and Tax Consultant, residing in Hamburg
c.) Mr. Rainer Baumgarten, Businessman, residing in Hamburg.

The General Meeting resolved to amend the Articles of Incorporation and to increase the number of Supervisory Board members to four members. After the amendment to the Articles of Incorporation had been registered,

d.) Mrs. Britta Horney, Attorney-at-Law, residing in Appen

was elected as an additional member of the Supervisory Board for four years.

In the subsequent constitutive meeting, Mr. Wohltmann was elected Chairman of the Supervisory Board, and Mr. Kretzenbacher as his deputy.

The Supervisory Board's remuneration was adjusted. The General Meeting authorised the Management Board, with the Supervisory Board's consent, to increase the Company's share capital to a total of EUR 6,449,754.00 (authorised capital 2017). As a basic principle, the shareholders must be granted a subscription right if there is a capital increase using the authorised capital. The Management Board, however, with the Supervisory Board's consent, should be empowered to be able to exclude the subscription right in certain cases.

Mr. Henrik Christiansen resigned his position as a member of the Management Board of Aves One AG for personal reasons, with effect at the end of 31 October 2017. The Supervisory Board thanks Mr. Christiansen for his contribution to the growth of Aves One AG. From November 2017 onwards, the Board of Directors of Aves One AG will consist of two Board Members, Peter Kampf and Jürgen Bauer.

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

4. Opportunities and Risks Report

The Aves Group's opportunities are based on consistent implementation of the three overriding targets that have been set:

- Emphasis on further growth, focussing on the Rail, Container and Logistics Real Estate business divisions
- Optimising the financing structure
- Increasing the asset volume to achieve a relative reduction in overhead costs.

4.1 Risk Management

Possible risks in the Aves Group are identified and assessed at an early stage in the framework of the risk management system, and are controlled in close collaboration with the operating units. Systematic risk identification and risk evaluation, as well as measures to avoid, minimise and limit risks, are integral components of the system. In this respect, special attention is paid to the early recognition of risks that could endanger the development or threaten the existence of the company.

To achieve ongoing evaluation of the various risks, the Aves Group introduced a "traffic light system" in which the different types of risk are initially classified according to their occurrence probability and their impact on the Group companies when assessed relative to one another: a higher value is allocated if the occurrence probability is higher. Moreover, the risks are given assessments with regard to their materiality. The product of these two dimensions (known as the Criticality) yields a classification into four categories:

- slight
- significant
- critical
- threat to survival

Only critical risks will be presented in the context of this Interim Management Report.
You will find a comprehensive presentation of the Aves Group's risks in the Group Management Report 2016, which is available on the Internet at http://www.avesone.com/de/aves_investoren_publikationen.html, and in the Bundesanzeiger (German Federal Gazette).

4.2 Description of the Significant Risks

4.2.1 Risks relating to profitability

In addition to strengthening equity capital through capital measures, it is also necessary to be operationally profitable in the Group when pursuing an expansive growth course. However, attaining profitability is possible only through a significant increase in logistics assets to achieve a critical corporate size. This risk is proactively countered through growth processes already implemented, currently being launched, and already planned. As well as growth, close cost management is also necessary. This risk is assessed as critical.

4.2.2. Risks relating to financing

In addition to increasing equity capital, it is essential that external financing is obtained subject to the most favourable possible conditions. It must be assumed that improving the equity capital structure will achieve better creditworthiness, which will enable better access to more cost-effective and more flexible forms of financing. It was also possible to complete actions to strengthen the equity capital basis in 2017, e.g. liabilities arising from direct investments were exchanged for shares in the reporting period and thereafter. This risk is assessed as critical.

4.2.3. Liquidity risk

A liquidity risk exists when liquid funds are insufficient to enable financial obligations of a certain magnitude to be settled at a particular time. This is especially true for repayments and interest payments of financings. Such a situation could arise as a result of delayed or defaulted accounts receivable. The Aves Group safeguards itself against these risks by always having sufficient liquidity reserves available in associated companies to enable it to bridge any unexpected liquidity shortfalls. Moreover, significant institutional investors are also Aves One AG shareholders. This risk is assessed as critical.

4.2.4. Financing risks

Direct investments from the private sector via BoxDirect AG and BoxDirect Vermogensanlagen AG together with institutional investors represent a significant part of the financing. A solid base of private investors with small-scale direct investments has been built up through CH2 AG. Small-scale splitting of the investments, and the different terms, ensure stabilisation of the capital inflows and outflows. Reinvestment by existing investors after expiry of the term of contract, and new acquisitions, guarantee a steady inflow of fresh investment capital. The risk to the company with these forms of financing (direct and institutional investment) lies in the non-materialising of new financing or refinancing, because the logistics assets that are acquired have a long lifetime (>15 years), and the financings run a rather short-term course (until 2022 maximum). In addition to the effect of the general market trend, significant changes in utilisation period, rentals, currency exchange rates or residual book values can influence a new financing or refinancing. Self-inflicted, undeserved or externally induced damage to a sales partner's image can damage the attractiveness of container investments as a form of investment overall. To this are added the impacts of possible regulatory interventions by the German Federal Agency for Financial Services Supervision (BaFin). This risk is assessed as critical.

4.2.5. Access to assets

Quick access to new assets in the form of container portfolios available for sale, batches of rail wagons, swap bodies or financing transactions in the logistics real estate area is needed, especially with regard to the second half-year. An extensively branched network in the various market areas, and making new business contacts, is decisive here. At the same time, however, the Company's needs with regard to rental, term, market risk and the creditworthiness of business partners are centre stage. Access to logistics properties and areas for self-storage parks are available to the Aves Group through cooperation with BoxDirect. This risk area represents a significant risk at the date of the review, especially with regard to investments planned for the second half-year and for the years 2018 – 2020. This risk is assessed as critical.

4.2.6. Risks relating to personal factors

A considerable amount of good networking with players in the respective market areas is necessary, especially when gaining new financing partners, acquiring financing and acquiring new assets. The focus in this respect is on trust-based business relationships as well as personal relationships. These networks are linked to specific persons, which makes these persons' loyalty to the Company a decisive success factor in the business model, and thus a risk area. This risk is assessed as critical.

4.3 An overall picture of the risk situation

The Aves Group's business model is based on attaining a critical corporate size, to enable three essential, mutually interacting factors to be safeguarded:

- Strengthening the equity capital base
- Access to favourable external capital financing conditions
- Opportunities to enter lucrative investment projects (logistics assets, real estate properties), to achieve thereby a critical corporate mass that enables the Company to attain growing profitability.

Thus these three factors represent the outstanding business-critical risk areas. Awareness of this situation shapes the Aves Group's activities. In particular, the planned large increase in the asset portfolio takes centre stage in this respect.

No significant changes in the Aves Group occurred in the first half of 2017 compared to the risks comprehensively described in the 2016 Business Report. Additional risks of which we are currently unaware or which we now assess to be insignificant could equally damage our business operations. From today's perspective, there are no indications of any existential risks.

4.4 Opportunities Report

The container equipment market is especially dependent on world trade, which according to International Monetary Fund estimates will grow by 3.5% to 4% p.a. until 2020. It is expected that market participants, e.g. shipowners, will focus on their core business and will plan only limited budgets for new container procurement. Therefore these market participants will fall back increasingly on the assets of external providers such as the Aves Group. This opens up opportunities for sale-&-leaseback transactions, and increases the demand for replacement containers.

According to a target set by the European Commission, 50% of freight traffic should change from road transport to other means of transport, e.g. rail or ship, by 2050. Because state-owned rail companies have limited financing options, they increasingly focus on investments in the rail network and passenger transport. The Aves Group sees good opportunities to take part in the growth, and to ensure additional initial investments or investments in equipment upgrading to enable coverage of the increasing gap between the market's demand and supply.

The Bundesverband Paket und Expresslogistik e. V. (German Association of Parcel and Express Logistics) estimates annual growth of 6.4% in the swap bodies market until 2019. Here again, the trend is towards leasing solutions, and lessees are interested in full-service solutions with special equipment matched to their specific requirements. This creates various opportunities for the Aves Group, especially to increase market shares, if the right actions can be taken within the necessary time horizon.

The lengthening of the value-added chain through the Aves Group's activities in the strongly growing resale market area (mainly self-storage) generates big opportunities here to capture significant market shares, to position itself in a timely manner and create competitive advantages in a market that is only now developing.

If markets develop as forecast and the strategic measures can be implemented, there are good opportunities to increase capacity utilisation rates across all business areas, thus significantly improving the income situation. Moreover, present and future markets are being examined with regard to opportunities for strategic acquisitions, participations or partnerships to enable organic growth to be supplemented. Such activities may strengthen the Aves Group's competitive position in markets currently being served, open up new markets or complement the portfolio in selected areas.

5. Outlook Report

In addition to significantly bigger revenues, the first half of 2017 also shows a larger EBITDA (result before currency effects), and the first portfolios in the Container and Swap Body area were already acquired. As expected, the capacity utilisation rate in the container area has risen further since the start of the year. Further successes in the area of financing structure improvement, refinancings and bank financings were also recorded. Thus the Management Board confirms its forecast expressed in the 2016 Business Report.

Based on the measures currently being implemented, the Management Board expects significantly higher sales revenues for the current business year 2017 compared to 2016. As well as fully consolidating ERR Austria for the whole 2017 business year (only 2 months in 2016), the intention is to achieve this through a further significant expansion of as-new logistics assets (mainly rail and container) and, if the corresponding opportunities arise, acquisition of logistics real estate.

For the same reason, an overall significant increase in EBITDA (before currency rate effects) is expected, for which the main driver will be the Rail Equipment business division. After the large rise at the start of the year, further moderately increasing capacity utilisation is expected for the Container Equipments utilisation rate. Further growth at a high level is also expected for the utilisation rate in the Rail Equipment business division.

Various long-term forms of financing are being examined to finance the Aves Group's growth and essentially to increase its own assets through purchases of logistics assets portfolios. In this context, efforts are also being made to further reduce financing costs through finance rescheduling/refinancing. This was already successfully begun in May 2017 with loan capital conversions through the issue of equity capital instruments. Initial bank financing arrangements were already completed here. Further financing activities are at the negotiation stage.

Slightly declining relative financing costs are expected in the Container Equipment, Special and Resale Equipment business divisions. Financing costs at a constant rather low level are forecast in the Rail business division, due mainly to the fact that this involves longer-term bank financing arrangements. Because financing of the ERR takeover in the past year was taken into account for only a proportion of the time, and significant growth in assets is anticipated for the 2017 business year, an overall increase in absolute financing costs can be expected for all business divisions compared to the 2016 business year. With regard to the Group's consolidated results before taxes and exchange rate effects, a significant improvement is expected for the 2017 business year.

Hamburg, 29 September 2017

The Management Board

Peter Kampf Jürgen Bauer Henrik Christiansen

Aves One AG consolidated financial statment as per 30 June 2017

ASSETS

In k EUR	Note	30 Jun. 2017	31 Dec. 2016
Assets			
Intangible fixed assets	4.1	2,369	2,566
Property, plant and equipment	4.2	440,501	445,400
Financial investments accounted for at equity		3,124	2,846
Other financial investments		34	116
Deferred tax assets	4.3	4,492	1,831
Long term assets		**450,520**	**452,759**
Inventories		2,892	2,376
Trade accounts receivable		12,502	7,495
Financial receivables		26,228	14,591
Other assets and prepayments		5,503	15,302
Tax refund claims		217	1,038
Liquid funds	4.4	3,781	31,954
Current assets		**51,123**	**72,756**
Balance sheet total		**501,643**	**525,515**

LIABILITIES

In k EUR	Note	30 Jun. 2017	31 Dec. 2016
Equity	4.5		
Issued share capital		9,207	8,910
Capital reserves		17,644	15,984
Currency translation reserve		497	1,391
Capital increases not registered at the balance sheet date		10,307	0
Consolidated retained earnings		-13,280	2,205
Equity of shareholders of parent company		**24,375**	**28,490**
Non-controlling shares		0	0
Equity		**24,375**	**28,490**
Liabilities			
Financial liabilities		342,795	312,392
Deferred tax liabilities	4.3	4,892	5,995
Provisions		4	4
Non-current liabilities		**347,691**	**318,391**
Tax liabilities		142	39
Financial liabilities		108,085	156,546
Trade accounts payable		19,062	8,687
Other liabilities		2,288	13,312
Other accruals and provisions		0	50
Current liabilities		**129,577**	**178,634**
Total liabilities		**477,268**	**497,025**
Balance sheet total		**501,643**	**525,515**

Aves One AG consolidated financial statement for the first half-year of 2017

in k EUR	Note	First half year 2017	First half year 2016 adjusted	First half year 2016
Sales revenues	3.1	24,459	11,216	11,993
Other operating income	3.4	1,825	892	1,887
- thereof exchange rate gains: k EUR 1,692 (prior year: k EUR 658)				
Cost of materials and services	3.2	-6,502	-3,837	-3,837
Personnel costs	3.3	-1,540	-1,076	-1,076
Other operating expenses	3.5	-5,568	-3,522	-8,241
- thereof exchange rate losses: k EUR 1,787 (prior year: k EUR 492)				
Profit and loss shares of undertakings accounted for at equity, net of taxes	3.6	65	-21	-21
Earnings before interests, taxes, depreciation and amortisation (EBITDA)		**12,739**	**3,652**	**705**
Depreciation and amortisation		-7,852	-3,404	-3,404
Operating result incl. at equity results (EBIT)		**4,887**	**248**	**-2,699**
Interest and similar income	3.7	592	465	465
Interest and similar charges	3.7	-10,442	-6,336	-6,336
Currency results related to financing	3.7	-12,415	-2,947	0
Expenses relating to issue of shares (disagio)	3.7	-1,804	0	0
Financial result		**-24,069**	**-8,818**	**-5,871**
Earnings before tax (EBT)		**-19,182**	**-8,570**	**-8,570**
Taxes on earnings	3.8	3,566	-128	-128
Results of continued business areas		**-15,616**	**-8,698**	**-8,698**
Consolidated loss for the period		**-15,616**	**-8,698**	**-8,698**
thereof attributable to:				
● Shareholders of group parent company		**-15,616**	**-8,698**	**-8,698**
● Non-controlling shareholders		**0**	**0**	**0**
Earnings per share (diluted and undiluted):				
● from continued businesses (EUR)		-1.70	-1.46	-1.46
● from discontinued business (EUR)		0.00	0.00	0.00
From consolidated profit (EUR)		**-1.70**	**-1.46**	**-1.46**
Average number of shares in circulation (diluted and undiluted)		9,164,337	5,940,000	5,940,000

Aves One AG consolidated statement of comprehensive income for the first half-year of 2017

in k EUR	First half year 2017	First half year 2016
Consolidated loss for the period	**-15,616**	**-8,698**
Other comprehensive income		
Items subsequently reclassifiable to profit or loss		
Currency translation differences recorded in equity with no profit or loss effect	894	-160
	894	**-160**
Total changes in equity with no profit or loss effect	**894**	**-160**
thereof relating at equity undertakings	**0**	**1**
Consolidated comprehensive income	**-14,722**	**-8,858**
thereof attributable to:		
● Shareholders of group parent company	-14,722	-8,858
● Non-controlling shareholders	0	0
	-14,722	**-8,858**
Consolidated comprehensive income (attributable to shareholders of group parent company):		
● from continued business areas	-14,722	-8,858
● from discontinued business areas	0	0
	-14,722	**-8,858**

Aves One AG consolidated statement of changes in equity for the first half-year of 2017

In k EUR	Number of shares in circulation	Issued share capital AG	Capital reserves	Profit and loss reserves	Consolidated retained earnings	Currency translation differences	Capital increase not yet registered at the balance sheet date	Total equity
Balance at 1 January 2016	990,000	990	7,524	0	9,871	760	0	19,145
Comprehensive income for the period	0	0	0	0	-7,666	631	0	-7,035
Capital increase from company resources (4/2016)	4,950,000	4,950	-4,950	0	0	0	0	0
Capital increase (11/2016)	2,970,000	2,970	14,850	0	0	0	0	17,820
Costs of obtaining capital Aves One AG capital increase (11/2016)	0	0	-1,440	0	0	0	0	-1,440
Balance at 31 December 2016	8,910,000	8,910	15,984	0	2,205	1,391	0	28,490
Comprehensive income for the period	0	0	0	0	-15,616	-894	0	-16,510
Extension of basis of consolidation	0	0	0	0	131	0	0	131
Capital increase for cash from greenshoe option (1/2017)	297,000	297	1,485	0	0	0	0	1,782
Capital increase by way of contribution in kind (6/2017)*	0	0	0	0	0	0	9,553	9,553
Expenses relating to issue of shares (disagio)	0	0	0	0	0	0	1,804	1,804
costs of obtaining capital Aves One AG	0	0	175	0	0	0	-1,050	-875
Balance at 30 June 2017	9,207,000	9,207	17,644	0	-13,280	497	10,307	24,375

Aves One AG consolidated cash flow statement for the first half-year of 2017

in k EUR	First half year 2017	First half year 2016
Earnings before taxes for the period	**-19,183**	**-8,569**
Earnings before taxes for the period	**-19,183**	**-8,569**
plus/minus:		
Intangible fixed asset amortisation, tangible fixed asset depreciation and amounts written off other financial investments	7,852	3,404
Changes in bad debt provisions for trade accounts receivable	288	5
Gains (-)/losses (+) on the sale/derecognition of tangible fixed assets	1,190	1,745
Profit or loss share of entities accounted for at equity, after taxes	-65	21
Interest income	-592	-465
Interest cost	12,246	6.336
Exchange gains (-)/losses (+) (not cash-effective)	12,487	1,958
Expenses relating to issue of shares (disagio)	1,804	0
Operating Cash Flow before changes in working capital	**16,027**	**4,435**
Changes in working capital		
Increase (-)/Decrease (+) of:		
Inventories	-515	-3
Trade accounts receivable not attributable to investing/financing activities	-104	211
Other assets and prepayments	7,176	3,348
Increase (+)/Decrease (-) of:		
Trade accounts payable not attributable to investing/financing activities	-119	-1,500
Other liabilities and other accruals and provisions	-8,854	-1.682
Operating cash flow	**13,611**	**4,809**
Payment of taxes on earnings	923	-78
Cash flow from ongoing business operations	**14,534**	**4,731**
Cash flow from investment activities		
Receipts from disposals of tangible fixed assets	2,670	1,261
Payment for investments in tangible fixed assets	-18,116	-999
Receipts from financial asset investments in connection with short term financial management measures	82	0
Interests received	0	2
Cash flow from investment activities	**-15,364**	**264**
Cash flow from financing activities		
Receipts from capital injections by the shareholders	1,782	0
Payments made in connection with capitalized costs of equity increases	-98	-240
Receipts from the issuing of bonds and financial loans	45,356	25,741
Amortization payments for bonds and financial loans	-64,450	-28,119
Interest paid	-9,581	-5,646
Cash flow from financing activities	**-26,991**	**-8,264**
Cash-effective changes in liquid funds	-27,814	-3,269
Liquid funds brought forward	31,954	11,484
Changes in basis of consolidation	7	0
Exchange rate related changes in liquid funds	-359	-45
Liquid funds carried forward	**3,781**	**8,170**

Aves One AG Notes to the consolidated financial statement for the first half-year of 2017

1. BASIC INFORMATION

1.1. THE COMPANY

Establishment, registered name, registered office, business year and duration of the company

Aves One AG (hereinafter referred to as "Company" or "Aves One AG"), the holding company of the Aves One group (hereinafter referred to as "Aves One Group"), was established by the notarial deed as per 24 June 1898. The Company is entered as a listed public company in the commercial register of the local court of Hamburg under the number HRB 124 894. The registered office of the Company is at Hamburg, Große Elbstraße 45. The business year of the Company is the calendar year (1 January until 31 December). The duration of the Company is unlimited. Aves One AG shares are traded in the Prime Standard (regulated market) of the Frankfurt Stock Exchange and in the General Standard (regulated market) of the Hamburg and Hannover Stock Exchanges.

Purpose of business

Aves One AG functions as the group holding company and manages national and international shareholdings and finance instruments in their own name and for their own account and the management of their 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-term logistic assets with sustainably good cash flow performance in liquid markets. Key activities are the business divisions container, rail, special and resale equipment.

During the business year, in particular acquiring further swap bodies boosted efforts in the special equipment division. The acquisition of ERR Rail Rent Vermietungs GmbH, Vienna was reflected in a considerably larger portion of income of the rail business division in the first half-year of 2017 as opposed to the first half-year of 2016.

Further business areas that are in continual development are the renting of tank containers and the development and market placement of logistics real estate. However, these areas did not yet reach the threshold size to be a segment of their own in the business year, and will therefore be represented in the "all other segments" group.

External service providers perform this rental of logistics equipment.

1.2. PRINCIPLES OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENT

The condensed interim consolidated financial statement of the Aves One group for the reporting period from 1 January 2017 to 30 June 2017 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 the information and notes that would be 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 2016.

The present condensed interim consolidated financial statement and the interim group management report of Aves One AG was neither subject to any statutory audit pursuant to Section 317 of the German Commercial Code (HGB), nor to any audit review pursuant to Section 37w paragraph 5 of the German Securities Trading Act (WpHG).

The interim consolidated financial statement comprises the period from 1 January 2017 until 30 June 2017. 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 2016. Adjustments have been made in regard of the statement of income from currency translation. In previous financial statements these were entirely stated in other operative expenses or other operative income. As these result mainly from taking loans and also from lending, the parts of the currency effects attributed to financing have been stated in the financial result for the first time. Moreover, sales revenues in the first half-year of 2016 contained k EUR 777, which are stated in other operative income since 2017. These result from asset disposals in the con-

tainer division. Regarding the depiction of effects, a triple column depiction for the profit and loss statement was chosen, juxtaposing the depiction of the new method with the previous method.
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 2017.

The Aves One group interim statement has been drawn up in Euro. Unless otherwise stipulated, values are given in thousand EUR (k EUR). 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.

1.3. DEFINITION EBITDA, EBIT, EBT

The ESMA (European Securities and Markets Authority) has adopted guidelines regarding the use of alternative key financial figures. Alternative key financial figures include all financial figures, which have not been defined in relevant accounting principles. These financial figures include the control parameters EBITDA, EBIT and EBT, which were used in the annual report of 2016 and are also used in the half-year report of 2017. The objective of these guidelines is to observe the principles of transparency and comparability
The financial figures used for business segment reporting have been adjusted by holding expenses. This adjustment was explained in Subsection 4.2 “Notes on Segment Data”, in order to clarify that adjustments for holding expenses that are not a part of the company management’s segment control were made at these points.
Apart from this, the EBITDA financial figure includes all profit and loss items with exception of amortisation, interest and similar expenses, interest and similar income, and taxes before income and earnings.
EBIT includes EBITDA and depreciation of the business year.
EBT includes EBIT and interest and similar expenses, interest and similar income and expenses and income from currency translations of financial liabilities and receivables. Moreover, the expenses for repayment of borrowed capital instruments with equity are stated here.

1.4. GROUP OF CONSOLIDATED COMPANIES AS PER 30 JUNE 2017

Apart from Aves One AG, the interim statement for 2017 includes a total of 44 domestic subsidiaries. In comparison to 31 December 2016, the following companies have been included in the group of consolidated companies through formation:

- Aves Special Equipment IV GmbH & Co. KG (Shareholder: Aves Special Equipment Holding GmbH & Co. KG, Aves Special Equipment Management GmbH); the company belongs to the segment “Other”, it holds and rents special equipment in the form of swap bodies.
- Aves Storage II GmbH & Co. KG (Shareholder: Aves Special Equipment Management GmbH, BSI Blue Seas Investment GmbH); the company also belongs to the segment “Other” and its purpose is to implement a planned storage park.

Moreover, two already existing companies, which were hitherto unconsolidated due to their insignificance, have now been consolidated in this interim statement, due to a change in their function within the group. These are 100% shareholdings in Aves Special Equipment Management GmbH and Aves Storage Verwaltungs GmbH. Both are management companies that were previously not shareholders of other companies. Through the aforementioned formation, Aves Special Equipment Management GmbH became the general partner of Aves Storage II GmbH & Co. KG.
All aforementioned cases are fully consolidated 100% shareholdings. No companies have withdrawn from the group of consolidated companies.

2. SEGMENT REPORTING

The segment reporting states the financial results from segment revenue, expenses for purchased services, EBITDA (Earnings before interest, taxes, depreciation and amortisation), EBIT (Earnings before interest and taxes) and EBT (Earnings before taxes), as these financial figures are also used as supporting control and benchmark figures for value-based management. Holding company expenses adjust the financial figures EBITDA, EBIT and EBT, as these are not a part of the business segment controlling and are regularly characterised by special effects. These expenses (income for holding companies; expenses for individual companies) are also not a part of the total consolidated earnings, as they are eliminated during the course of income and expense consolidation. The sales revenues currently only result from companies that all have their registered offices within the European Union. The sales revenues for the segment “Rail” mainly result from a shareholding in Austria, apart from that, all sales revenues result from companies with their registered offices in Germany. Therefore there is no regional steering.

2.1 FINANCIAL FIGURES BY SEGMENTS

The Segments for the quarter ending on 30 June 2017 remain unchanged in relation to the statement as per 31 December 2016 and can be depicted as follows based on internal reporting:

In k EUR	**Reporting segments**				**Reconciliation to group**		
	Container	Rail	All other segments	Total	Holding activities	Consoli-dation	**Group result**
Sales							
External sales revenues	9,214	12,818	2,054	24,086	373	0	24,459
Inter-segment sales revenues	114	7	0	121	0	-121	0
Total sales revenues	9,328	12,825	2,054	24,207	373	-121	24,459
Cost of purchased services	-3,547	-2,859	-346	-6,752	0	250	-6,502
Other segment sales and expenses	-1,523	-481	-122	-2,126	-2,632	-461	-5,219
EBITDA before holding allocations	4,258	9,485	1,586	15,329	-2,260	-330	12,739
EBIT before holding allocations	1,302	5,740	450	7,492	-2,275	-330	4,887
EBT before holding allocations	-16,099	1,679	-570	-14,990	-3,827	-365	-19,182
Impairment, amortisation and depreciation intangible fixed assets and tangible fixed assets	-2,956	-3,745	-1,136	-7,837	-15	0	-7,852
Financial income	2,221	0	260	2,481	691	-2,580	592
Financial expenses	-7,547	-4,061	-940	-12,548	-2,243	2,546	-12,245
Currency translation effects to financial assets/liabilities	-12,075	0	-340	-12,415	0		-12,415
Financial result	-17,401	-4,061	-1,020	-22,482	-1,552	-35	-24,069
Taxes on earnings	3,962	-249	-757	2,956	548	63	3,567
Total assets	240,440	241,790	31,557	513,787	48,254	-60,398	501,643
Total liabilities	241,306	236,659	34,480	512,445	10,137	-45,314	477,268
Intangible fixed assets by segments	2,310	0	10	2,320	50	0	2,370
Tangible fixed assets by segments	188,527	227,630	24,475	440,632	65	-196	440,501
Investments by segment	12,694	5,203	2,193	20,090	1	0	20,091
Carrying values of investments in associated companies	0	1,100	0	1,100	2,024	0	3,124
Profit contribution of associated companies	0	59	0	59	181	-175	65

For the half-year from January until June 2016, the segment reporting is as follows:

In k EUR	Reporting segments		All other segments	Total	Reconciliation to group		Group result
	Container	Rail			Holding activities		
Sales							
External sales revenues	9,359	1,557	116	11,809	184	0	11,993
Inter-segment sales revenues	347	0	0	347	2	-349	0
Total segment sales revenues	10,483	1,557	116	12,156	186	-349	11,993
Expenses of purchased services	-3,612	-244	-19	-3,875	0	38	-3,837
Other segment sales and expenses	-2,460	806	-129	-2,560	-2,103	161	-4,502
EBITDA before holding allocations	3,634	2,119	-32	5,721	-1,919	-150	3,652
EBIT before holding allocations	734	1,687	-101	2,320	-1,925	-150	248
EBT before holding allocations	-7,125	1,028	-226	-6,323	-2,097	-150	-8,570
Impairment, amortisation and depreciation intangible fixed assets and tangible fixed assets	-2,897	-432	-69	-3,398	-6	0	-3,404
Financial income	886	41	109	1,036	404	-975	465
Financial expenses	-5,886	-700	-149	-6,735	-576	975	-6,336
Currency translation effects to financial assets/liabilities	-2,862	0	-85	-2,947	0	0	-2,947
Financial result	-7,862	-659	-125	-8,646	-172	0	-8,818
Taxes on earnings	-130	-80	190	-20	-108	0	-128
Total assets	246,190	31,377	8,096	285,663	22,052	-55,610	252,105
Total liabilities	233,323	31,357	8,558	273,238	13,320	-44,740	241,818
Intangible fixed assets by segments	5,524	0	0	5,524	0	0	5,524
Tangible fixed assets by segments	190,039	28,204	5,010	223,253	49	0	223,302
Investments by segment	0	0	1,008	1,008	0	0	1,008
Carrying values of investments in associated companies	0	0	24	24	1,832	0	1,856
Profit contribution of associated companies	0	0	-59	-59	38	0	-21

Attention should be given to the fact that there was no allocation for Holding expenses in the first half-year of 2016. Therefore, amounts of 0 are depicted here.

For the remaining segment income and expenses, the first half-year of 2016 was adjusted to the extent that Currency translation effects to financial assets/liabilities were removed and depicted in the financial result instead.

For this please also observe the remark regarding the amendment in Subsection 1.2 and the notes on other operative income, other operative expenses and the financial result under 3.4, 3.5, and 3.7.

3. NOTES ON THE CONSOLIDATED PROFIT AND LOSS STATEMENT

3.1 SALES REVENUES

Sales revenues have more than doubled with the development of k EUR 11,216 to k EUR 24,459. This significant increase mainly results from the acquisition of ERR Vienna, which in turn contributes sales revenues amounting to k EUR 11,239. ERR Vienna was only acquired in the second half-year of 2016, and therefore did not make any contribution to the group financial figures in the first half-year of 2016. Further increases result from additional acquisitions, particularly in the special equipment division and from the improved market situation in the container letting division.

3.2 EXPENSES FOR MATERIALS

Analogous to sales revenues, expenses for materials have developed from k EUR 3,837 to k EUR 6,502. The increase in turn mainly results from the acquisition of ERR Vienna, but did not increase to the same extent as the sales revenues, as overhead costs in connection with wagon letting are lower in relation to sales revenues as for example for the container division.

3.3 PERSONNEL EXPENSES

Expenses for personnel increased from k EUR 1,076 for the period from January to June 2016 to k EUR 1,540 for the period from January to June 2017. The average number of employees developed from 23 employees on 30 June 2016 to 31 employees on 30 June 2017. As per 30 June 2017 31 employees (30 June 2016: 24 employees) were employed. The development of personnel expenses therefore mainly results from the further expansion of personnel capacity and employee bonuses.

3.4 Other operative income

Of the other operative income amounting to k EUR 1,825, k EUR 1,692 results from income from currency translation for items which do not fall under finance matters. The previous year showed k EUR 892 here, of which k EUR 658 was due to currency. Adjusted by currency, other operative income thus remains largely unchanged.
In the published financial statements for the comparative period, income from the evaluation of finance matters was still shown here. In this regard, the statement for 2017 has been adjusted, please also refer to the notes on the accounting and evaluation principles.

3.5 Other operative expenses

Other operative expenses have developed from k EUR 3,522 to k EUR 5,568 in the comparative period. The comparative period included k EUR 492 for currency translation, while the first half-year of 2017 states k EUR 1,787. The change by k EUR 2,046 therefore mainly results from additional currency effects of the balance sheet date for items that cannot be allocated to financing matters. Moreover, the previous year was adjusted to the extent that components from sales revenues in the amount of k EUR 777, which are to be attributed to expenses from asset disposals, were transferred to other operative income.
Furthermore, other operative expenses are significantly affected by losses from asset disposals, auditing and consulting and other miscellaneous expenses.
The published financial statement for the comparative period also stated expenses for the evaluation of financing matters. In this regard, the statement for 2017 has been adjusted, please also refer to the notes on the accounting and evaluation principles.

3.6 Profit and loss shares in companies accounted for under the equity method, after taxes

The profit share from equity balanced shareholdings developed from k EUR -21 for the period from January to June 2016 to k EUR 65 for the same period in 2017. The main profit contribution resulted from shares in ERR Duisburg. These were only acquired in the second half-year 2016 and therefore had not made any profit contributions in the first half-year of 2016.

3.7 Financial result

Apart from interest and similar income, which only changed insignificantly from k EUR 465 to k EUR 592 and interest and similar expenses - which rose from k EUR 6,336 to k EUR 10,442 due to the growth in assets and resulting financing - the financial result, specifically in this quarterly report, includes for the first time the currency result from financing matters, in this regard please also see the notes in the other operative income and other operative expenses. In the first half-year of 2017, these led to an expense from currency translation amounting to k EUR 12,415 as opposed to the expense during the comparative period amounting to k EUR 2,947. This results exclusively from the development of the exchange rate for USD/EUR, which, as per 30 June 2017, was 1.1412.
The development of the exchange rate from 1 January 2017 until 30 June 2017 was from 1.0541 to 1.1412, thus representing a value loss of the USD of around 8.3%. During the period of 1 January 2016 to 30 June 2016, the exchange rate developed from 1.0887 to 1.1102, with the value loss only amounting to barely 2.0%. The more than quadruple higher loss in value in comparison to the previous period led to corresponding differences in currency expenses.
In addition, the financial result includes for the first time non-cash special expenses in connection with the conversion of borrowed capital by issuing equity instruments. Due to the adoption of IFRIC 19 and because of price fluctuations on the market, this resulted in non-cash accounting losses, which are depicted in the financial result. These are non-recurring effects, which can however not be excluded for the future for comparative capital measures.

3.8 Taxes from income and earnings

The development of deferred taxes largely depends on the accumulation of tax loss carryforwards in individual companies and the currency effect in the conversion of euro tax balances into functional USD currency in the individual companies of the container segment. In this respect, the deferred taxes fluctuate depending on the evaluation of the US Dollar.

4. Notes on the consolidated balance sheet

4.1 Intangible assets

As in the prior year, the intangible assets mainly include the activation of the Agreement for Brokering Logistics Real Estate. Changes in this item mainly result from currency effects. The company is currently in detailed negotiations on the acquisition of a correspondingly brokered portfolio.

4.2 Fixed Assets

The first half-year of 2017 included several new acquisitions, mainly in the special equipment division. There were no unusually high asset disposals.

The extent of investments amounted to k EUR 20,091 - nevertheless the drop in this balance sheet item by k EUR 4,899, which was also due to asset disposals amounting to k EUR 3,169 - mainly resulted from currency effects within the scope of the transformation from the functional USD currency to the reporting currency EUR and from current amortisation / depreciation of assets amounting to k EUR 7,852.

4.3 Deferred tax claims and liabilities

Deferred tax claims mainly result from losses carried forward. As the tax balance is originally drawn up in the tax currency (EUR), but the financial statements for most companies in the sea container division are prepared in their functional currency USD, the losses carried forward are subject to fluctuations based on currency effects, which have a direct impact on deferred taxes.

Deferred tax liabilities mainly result from differences in the evaluation of fixed assets, which are also subject to the aforementioned currency effects. The deferred tax claims were mostly set off against the deferred tax liabilities.

Adjustments to deferred tax claims were made, to the extent that their usability was not foreseeable in the next five years.

4.4 Means of payment

Cash in banks as per 31 December 2016 equalled a non-freely-available amount of k EUR 8,877. These non-freely-available means of payment were depicted in the financial receivables for 2017, as they are non-liquid capital due to their limited usability. This change in stating this item leads to a decrease of the previous year's item by k EUR 8,877. This amount is now depicted in the financial receivables. As per 30 June 2017 this equals an amount of k EUR 8,964.

4.5 Equity

The development of the equity is shown in the statement of changes in shareholders' equity.

Beside the effects of the results and the currency adjustment, the equity is mainly influenced by two capital measures:

- With entry of 27 January 2017, the share capital was increased by EUR 297,000 by exercising the greenshoe option. At the same time, the capital reserve increased by EUR 1,485,000. This transaction is substantively linked with the cash capital increase in November 2016.
- A capital increase from the authorised capital aiming at a repayment of the liabilities to direct investors was decided by management board resolution and after approval of the supervisory board on 12 June 2017. With it, the capital stock of presently EUR 9,207,000.00 should be increased by EUR 1,557,831.00 to EUR 10,764,831.00. For this purpose, 1,557,831 new shares are issued which entitle to dividends from 1 January 2017. The shareholders' subscription right was excluded. In return, receivables from group companies to an amount of more than EUR 10 million were recovered with this transaction. This capital increase was not yet entered by 30 June 2017; the entry took place on 25 August 2017 and thus only became effective at that time. As the contribution has already been

made and the capital increase was entered within the statement period, it can be assumed with sufficient certainty that the capital increase will be implemented. Therefore it is already reported in the equity as of 30 June 2017, however it was not divided into capital stock and capital reserve, but as own item within the equity.

5. Reporting on the financial instruments

Financial instruments are contractual agreements which result in claims or obligations of the group. They lead to an outflow or inflow of financial assets. According to IAS 32 and IAS 39, original and derivative financial instruments are part of it. In particular, credit balances with credit institutes, claims, liabilities, credits, loans and accrued interests constitute original financial instruments. In the business year 2017 a derivative instrument (interest rate cap) existed until 30 June 2017. A formal hedging relationship does not exist so that no hedge accounting is conducted. Therefore the valuation affects net income at fair value (FVTPL, fair value through profit or loss).

Fair values and carrying values of financial instruments according to the valuation category

The IFRS 7 classification was made on the basis of the balance sheet items. Homogeneous items as trade receivables from and trade payables to third parties, affiliated, non-consolidated and associated persons or companies were summarised here.

The following categories were used according to IAS 39:

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 fair values as well as the carrying values of the financial assets and financial liabilities of the half-year financial statements by 30 June 2017 which are included in the individual balance sheet items.

Book values, recorded balances and attributable fair values by category in k EUR	**IAS 39 category**	**Book value 30 June 2017**	**valuation under IAS 39**	
			Amortised cost	**Attributable fair value**
Long term financial assets without interest cap	afS	0	0	0
Long term financial assets - interest cap	FVTPL	34	34	34
Trade accounts receivable	LaR	12,502	12,502	12,502
Financial receivables	LaR	26,228	26,228	26,228
Other receivables and other financial assets	LaR	5,503	5,503	5,503
Cash and cash equivalents	LaR	3,781	3,781	3,781
Long term financial liabilities	FLAC	-342,795	-342,795	-342,795
Trade accounts payable	FLAC	-19,062	-19,062	-19,062
Other financial liabilities: short term portion of long term financial liabilities	FLAC	-108,085	-108,085	-108,085
Other liabilities	FLAC	-2,194	-2,194	-2,194
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	34	34	34
loans and receivables	LaR	48,014	48,014	48,014
Financial liabilities measured at amortized cost	FLAC	-472,136	-472,136	-472,136

Tab. 3a: data according to IFRS 7 – by 30 June 2017

Book values, recorded balances and attributable fair values by category in k EUR	**IAS 39 category**	**Book value 30 June 2017**	**valuation under IAS 39**	
			Amortised cost	**Attributable fair value**
Long term financial assets without interest cap	afS	37	37	37
Long term financial assets - interest cap	FVTPL	0	0	0
Trade accounts receivable	LaR	4,562	4,562	4,562
Financial receivables	LaR	5,761	5,761	5,761
Other receivables and other financial assets	LaR	1,080	1,080	1,080
Cash and cash equivalents	LaR	8,170	8,170	8,170
Long term financial liabilities	FLAC	-147,804	-147,804	-147,804
Trade accounts payable	FLAC	-1,061	-1,061	-1,061
Other financial liabilities: short term portion of long term financial liabilities	FLAC	-87,474	-87,474	-87,474
Other liabilities	FLAC	-960	-960	-960
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	0	0	0
loans and receivables	LaR	19,610	19,610	19,610
Financial liabilities measured at amortized cost	FLAC	-237,299	-237,299	-237,299

Tab. 3b: data according to IFRS 7 – as of 30 June 2016

Trade receivables and trade payables, other financial assets and financial resources regularly have short remaining terms. Therefore their carrying values approximate to their fair values at the balance sheet date.
The loans of the credit institutes, of the institutional investors as well as of the direct investors are valued at amortised procurement costs. As the interest level and the credit risk changed only marginally in the past two years, it is assumed that the carrying values of the financial debts mainly approximate to the fair values (according to the market values, level 1 according IFRS 13).

6. Explanations on the group cash flow statement

The cash flow statement was prepared in accordance with IAS 7. The representation and the procedure correspond to those applied for the financial statement by 31 December 2016. The adjustments to the balance sheet regarding the report of restricted funds were adapted for the previous year column of the cash flow statement (in the previous year the restricted funds were reported in the liquid funds). The restricted funds were reclassified to financial receivables with the half-year financial statement 2017.

The outflows for investments refer to the sea container sector with EUR 10.7 million and to the rail sector with EUR 5.2 million.

The financial resources are composed of liquid funds as well as short-term contributions for example with a remaining term of maximum three months.
Restricted financial funds can be shown under the financial receivables (k EUR 8,964 on the balance sheet date of 30 June 2017 or k EUR 8,877 on the balance sheet date of 31 December 2016).

7. Events after the balance sheet date (supplementary report)

Capital increases and acquisitions

The management board decided two other capital increases in kind from the authorised capital with resolution of 11 July 2017 and approval by the supervisory board of the same day.

The first capital increase in kind by issue of 1,277,611 new shares refers to another exchange of liabilities against equity. In return for the issued shares, receivables from group companies to the amount of about EUR 8.4 million were recovered. The subscription right of the shareholders was excluded respectively. Aves One AG paid EUR 0.4 m in cash as further compensation in the scope of the capital increases.
Besides, a capital increase in kind by issue of 857,067 new shares and a one-time payment of EUR 0.5 m were decided. 70% of the shares of the CH2 Contorhaus Hansestadt Hamburg AG, Hamburg were contributed as consideration. The remaining 30 % were already held indirectly by Aves One AG.

A continuation of the exchange offers (debt capital conversions by issue of equity instruments) is planned to further improve the financing structure. For this reason a securities prospectus of BoxDirect AG was approved by the BaFin on 29 August 2017. In the scope of this public offering, the exchange of receivables from the Aves Group against equity instruments shall not only be offered to selected creditors, but to all direct investors.
The equity base shall be further strengthened by this measure.

The improved equity base of the company will have direct positive effects on the amount of the current debt service. Furthermore the equity increase supports the strategic growth targets of the company.

The capital increase by contributions in kind by way of receivables was entered in the commercial register of Aves One AG on 25 August 2017; thus, the capital stock now amounts to EUR 12,899,509.

General meeting

Besides the discharge of the management board and the supervisory board for the business year 2016 and the appointment of the auditor, Roever Broenner Susat Mazars GmbH & Co. KG, auditing company, tax consultants, for the business year 2017, the following resolutions were also adopted at the annual general meeting on 29 August 2017.

The general meeting appointed Mr Ralf Wohltmann, director of the pension fund of the dentists' association (Versorgungswerk der Zahnärztekammer Berlin KdöR), resident in Berlin as chairman of the supervisory board, Mr Emmerich G. Kretzenbacher, auditor, tax consultant, resident in Hamburg as well as Mr Rainer Baumgarten, businessman, resident in Hamburg as members of the supervisory board. Furthermore the supervisory board will be extended to four persons whereby Ms Britta Horney, attorney, resident in Appen was appointed member of the supervisory board. The members of the supervisory board were appointed for four years each.

Furthermore the remuneration of the deputy chairman of the supervisory board was increased by 1.5-fold of EUR 15,000 to EUR 50,000 p.a. with effect from 1 January 2017.

The remaining authorised capital of the previous year was cancelled and replaced by creating a newly authorised capital for 2017; the management board was thereby empowered to increase the stock capital of the company by 28 August 2022 with the approval of the supervisory board by up to EUR 6,449,754.00 in total by way of a one-time issue or multiple issues of new bearer shares against cash contributions and/or contributions in kind (authorised capital 2017).

Miscellaneous

In addition, the present member of the managing board Mr Henrik Christiansen (present chief financial officer) resigns from his office for personal reasons by 31 October 2017.

No other significant events occurred after the balance sheet date.

8. Purchase commitments

Single group companies have a purchase commitment resulting from contracted swap bodies by 30 June 2017. They shall be delivered to the full extent by end of the year 2017. More than 1,000 swap bodies at a unit price of 8,650 Euros 52 from this order have already been delivered by 30 June on balance sheet date. The purchase commitment thus amounts to k EUR 8,200.

9. Relations to associated companies and persons

Besides the subsidiaries included in the group financial statement, the Aves One Group has direct or indirect relations with associated persons and companies carrying out its usual business activities.

Detailed information on the relations to associated persons and companies are included in the group annex 2016 in section 13. Changes or essential transactions of the first half year 2016 are mentioned in the following.

9.1 ESSENTIAL TRANSACTIONS WITH ASSOCIATED COMPANIES AND PERSONS IN THE BUSINESS YEAR OR THE PREVIOUS YEAR

The following essential businesses with associated companies and persons took place in the first half year 2017 - for other transactions and business relations we refer to the consolidated annual financial statement as these are subsequent transactions for existing contracts (amongst others interest payments on loans):

(A) Purchase, rental and repurchase agreements with BoxDirect AG

Financial debts to the amount of EUR 133.6 million towards associated companies exist based on valid purchase, rental and repurchase agreements by 30 June 2017. Interest expenses for the financial debts of EUR 3.4 million accrued in the year under review.

In 2017, Aves One AG gave independent maximum guarantees of EUR 20.0 million and EUR 8.0 million to BoxDirect AG. Purpose is respectively the hedging of the repurchase obligations from the container investment business of BoxDirect AG. The guarantee continues to exist until full payment of the repurchase obligations resulting from the container direct investment.

(B) Purchase, rental and repurchase agreements with BoxDirect Vermögensanlagen AG

Due to the existing purchase, rental and repurchase agreements the group had to record loans to the amount of EUR 19.6 million from BoxDirect Vermögensanlagen AG in 2017. Thus, the state of financial debts to associated companies increased to EUR 27.1 million by 30 June 2017. Interest expenses for the financial debts to the amount of EUR 1.0 million accrued in the year under review.

(C) Service agreement with BoxDirect AG

By a letter of comfort of 27 February 2017, Aves One AG assures that BSI Logistics GmbH, which has all company shares of BSI Blue Seas Investment GmbH, ensures that BSI Blue Seas Investment GmbH always holds sufficient assets to meet the obligations from the service agreement of 29 June 2016 between BSI Blue Seas Investment GmbH and BoxDirect AG.

The declaration is valid as long as Aves One AG is shareholder of BSI Logistics GmbH and the service agreement still has not been terminated, however by 31 December 2017 at longest.

(D) Service agreement with BoxDirect Vermögensanlagen AG

Based on the existing service agreement, expenses of EUR 1.0 million accrued especially for management services and investor support for the group companies by 30 June 2017.

(E) Extension agreement and current account agreements with BoxDirect AG

The contract parties agreed in 2015 that they have the right to defer reciprocally claims resulting from the purchase, rental and repayment agreements and the service agreements at an interest rate of 8.75 % p.a. Furthermore it was agreed for a simplified payment of all reciprocal receivables which become due during the validity of the agreement that a settlement relation similar to a current account shall apply. A netting of the receivables and their settlement will take place by end of the month.

Interest income of EUR 0.1 million and interest expenses of EUR 0.2 million accrued from the extension agreement by 30 June 2017. Receivables of EUR 6.8 m towards BoxDirect AG result from the extension agreement by 30 June 2017.

(F) Framework agreement on the exchange of container direct investments and shares with BoxDirect AG

A framework agreement was concluded between BoxDirect AG, Superior Beteiligungen AG as well as Aves One AG on 14 March 2017 to give BoxDirect AG the opportunity to exchange container direct investments against shares of Aves One AG.

In this context 1,557,831 shares are newly issued by Aves One AG.

As a result of this operation, BoxDirect AG contributes claims with a nominal value of EUR 10.0 million which directly resulted from the purchase, rental and repurchase agreements concluded with BoxDirect AG to Aves One AG. Aves One pays additionally EUR 0.5 million in cash to investors who are ready to contribute their receivables in exchange for shares. This obligation will be shown under trade payables by 30 June.

The contribution of BoxDirect AG was made by 30 June, but still not the issue of shares. The capital increase was reported in the equity of Aves One AG as separate item to the amount of EUR 10.3 million. Due to applicable regulations in IFRIC 19 an expenditure of EUR 1.8 million is shown in the statement of profit and loss by 30 June 2017 from the point of view of Aves One AG.

9.2 DETAILS OF RELATIONS WITH ASSOCIATED PERSONS AND COMPANIES

(1) TRANSACTIONS SHOWN IN THE PROFIT AND LOSS ACCOUNT

in k EUR	Note	First half year 2017	First half year 2016
Revenues from and costs charged by controlling entities			
Sales revenues, other operating income		45	37
Costs		0	0
Interest income	J	327	311
Interest expenses		0	0
Revenues from and costs charged by other related persons or entities			
Sales, other operating income		287	95
Costs	C, D, E, K	1,145	-921
Interest income	E, L	96	91
Interest expenses	A, B, E	4,627	-3,565
Expenses relating to issue of shares (disagio)	F	1,804	0

Tab 4: profit and loss transactions with associated persons

(2) OPEN ITEMS IN BALANCE SHEET

in k EUR	Note	30 June 2017	31 December 2016
Receivables from controlling entities or persons			
From trading activities		3	0
Financial receivables	J	2,112	1,946
Other receivables		63	121
Receivables from other related entities or persons			
From trading activities	E	5,630	1,681
Financial receivables	E, L	13,610	8,275
Other receivables		0	0
Liabilities towards controlling entities			
From trading activities		0	0
Other liabilities		0	1
Liabilities towards other related entities or persons			
From trading activities	H, F	16.158	7.226
Financial debts	A, B	160.728	184.321
Other liabilities		17	0

Tab 5: Open items towards associated persons

11. AFFIRMATION OF THE LEGAL REPRESENTATIVES

We hereby confirm to the best of our knowledge that the half-year financial statement give a true and fair view of the asset, financial and profit situation of the company according to the accounting principles to be applied and that the business development including the operating result and the situation of the company are shown in the consolidated interim management report in a way that a true and fair view of the actual conditions is given and the material opportunities and risks of the expected development of the company are described.

Hamburg, 29 September 2017

The Management Board

Peter Kampf	Jürgen Bauer	Henrik Christiansen