



Quarterly Report Q3 / 2017

Aves One AG

ISIN DE000A168114

BUSINESS TREND IN THE FIRST NINE MONTHS OF THE 2017 BUSINESS YEAR

The Aves One Group (hereinafter: "Aves Group") generated sales revenues in the first nine months of the current business year amounting to k EUR 38,427 (January to September 2016 (hereinafter "py") k EUR 18,312). The revenue growth resulted mainly from the investments during 2016 and 2017 in all business divisions, and from the acquisition of ERR Rail Rent Vermietungs GmbH, Vienna, Austria. The EBITDA rose disproportionately to k EUR 21,532 (py k EUR 6,388)¹.

EQUITY CAPITAL MEASURES

By Management Board resolution adopted on 11 July 2017 and Supervisory Board consent on the same day, two more non-cash capital increases from approved capital were resolved.

The first non-cash capital increase through the issue of 1,277,611 new shares is the result an exchange of liabilities for equity capital in which accounts receivable from Group companies amounting to around EUR 8.4 million were contributed as consideration for the issued shares. As part of the transaction, Aves One AG paid EUR 0.4 million in cash in addition to the share issue.

In addition, a second non-cash capital increase by issue of 857,067 new shares plus a one-off payment of EUR 0.5 million was resolved. 70% of the shares in CH2 Contorhaus Hansestadt Hamburg AG, Hamburg (hereinafter "CH2"), were contributed as consideration. The remaining 30% were already held indirectly by the Aves Group.

These increases in capital via investment in kind were entered into the commercial register on 25 August 2017. This means that the share capital is now EUR 12,899,509.

On 28 August 2017 the Management Board of Aves One AG, with the Supervisory Board's consent, resolved the framework conditions for a further increase in share capital to further improve the financing structure. Aves One AG intends to carry out non-cash capital increases, in several steps and excluding subscription rights, by issuing up to 6,000,000 new shares from the approved capital in return for the contribution of receivables from financial liabilities. It involves liabilities owed to BoxDirect AG, Hamburg, which result from asset financing. BoxDirect AG intends to offer the asset financing partners an option to exchange these liabilities for Aves One AG shares.

Insofar as use is made of this offer, BoxDirect AG's receivables payable by will be input into Aves One AG as a non-cash contribution. The volume and exact conditions have not yet been defined. Amongst other things, they depend on the share price applicable on the date the contribution is made.

A BoxDirect AG securities prospectus was approved by the BaFin (Federal Agency for Financial Services Supervision) on 29 August 2017. This measure is designed to further strengthen the equity base of Aves One AG.

GENERAL MEETING

In addition to the presentation of the Annual Financial Statement and the Consolidated Financial Statement, the Ordinary General Meeting on 29 August 2017 also resolved the discharge of the Management Board and Supervisory Board for the 2016 business year, and the election of the Auditor for the 2017 business year.

Since the term of office of all the Supervisory Board members ended with the termination of the 2017 Ordinary General Meeting, the General Meeting re-elected the current Supervisory Board members, Mr Ralf Wohltmann, Mr Emmerich G. Kretzenbacher and Mr Rainer Baumgarten for the next four years.

¹ Adjusted figures for SbE, SbA and the financial result (see section "Accounting and valuation methods")

In addition, the General Meeting resolved to amend the Articles of Association and to increase the number of Supervisory Board members to four. After the Articles of Association amendment had been entered, Mrs. Britta Horney, attorney, residing in Appen was elected as an additional Supervisory Board member for four years. In the subsequent constitutive session, Mr. Wohltmann was elected chairman of the Supervisory Board and Mr. Kretzenbacher as his deputy. In addition, the Supervisory Board's remuneration was adjusted.

The General Meeting, with the Supervisory Board's consent, authorised the Management Board to increase the company's share capital by a total of up to EUR 6,449,754.00 (authorised capital 2017).

ACCOUNTING AND VALUATION METHODS

The accounting and valuation methods were generally retained as in the 2016 annual accounts, with the exception of the following:

As already adjusted in the half-yearly financial report, the statement on the effect of the rate of exchange in the reporting period was adjusted such that the rate of exchange effects resulting from financing activity are shown in the financial results. This results in changes in the way the other operating revenue and expenses is shown, as well as in the financial result. The following table shows the effects of these changes (in each case for the nine-month period of the year).

in k EUR	30 September 2017	30 September 2016 (as reported)	30 September 2017 (adjusted)
Other operating income	2,699	2,912	1,464
Other operating expenses	-7,274	-11,141	-6,147
Financial result	-35,084	-8,852	-12,398

CHANGES IN THE COMPANIES TO BE CONSOLIDATED

In the context of the acquisition of the remaining 70% of shares in CH2 via the issue of new shares and a cash payment (see above under "Equity capital measures") there is, for the first time, a full consolidation of the CH2 companies from 11 July 2017. Any undisclosed reserves to be identified in accordance with IFRS 3.42 or obligations relating to the existing shares (30%, up to now valued at equity) were not found.

This first consolidation meant that 2 companies were added to the group of companies to be consolidated:

- CH2 Contorhaus Hansestadt Hamburg AG, Hamburg
- CH2 Logistica Portfolioverwaltung GmbH & Co. KG, Hamburg.
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In addition, another subsidiary of CH2 was acquired (CH2 Logistica No. 2 Asset GmbH, Hamburg) which, for reasons of materiality, was not included in the consolidation.

The first consolidation of CH2 and its subsidiary resulted in a goodwill value of k EUR 5,624, which was confirmed by a valuation as of 30 June 2017 by Roever Broenner Susat Mazars GmbH & Co. KG, auditors and tax consultants, Hamburg, in accordance with the principles of the IDW S1.

In addition, the following newly formed companies were, for the first time, included in the full Group consolidation:

- Aves Logistics Immobilien Verwaltungs GmbH, Hamburg
- Aves Logistics Immobilien GmbH & Co. KG, Hamburg
- Aves LI Alsdorf Holding GmbH & Co. KG, Hamburg
- Aves LI Alsdorf Besitz GmbH & Co. KG, Hamburg
- Aves LI VG1 Holding GmbH & Co. KG, Hamburg
- Aves LI VG1 Besitz GmbH & Co. KG, Hamburg
- Aves Special Equipment V GmbH & Co. KG, Hamburg.

FINANCIAL POSITION, NET ASSETS AND OPERATING RESULTS

OPERATING RESULTS

Compared to the same period in the previous year the Aves Group earned in the first nine months of this year, hereinafter "reporting period", sales revenues amounting to k EUR 38,427 (py: k EUR 18,312). In the third quarter of this year, sales revenue amounting to k EUR 13,968 (third quarter 2016: k EUR 7,096) was achieved.

Selected key financial figures in k EUR	1.1 to 30. 09. 2017	1.1 to 30. 09. 2016	3 rd Quarter 2017	3 rd Quarter 2016
Sales revenues	38,427	18,312	13,968	7,096 ¹
Cost of materials	9,730	5,765	3,228	1,928
Other operating income	2,699	1,464 ¹	874	572 ¹
<i>of which currency exchange rate gains</i>	<i>2,104</i>	<i>959¹</i>	<i>412</i>	<i>301¹</i>
<i>Income from equity holdings</i>	<i>532</i>	<i>152</i>	<i>467</i>	<i>173</i>
Other operating expenses	-7,274	-6,147 ¹	-1,706	-2,625 ¹
<i>of which currency exchange rate losses</i>	<i>-657</i>	<i>-815¹</i>	<i>1,130</i>	<i>-323¹</i>
EBITDA	21,532	6,388¹	8,793	2,736¹
Depreciation and amortization	-11,926	-5,209	-4,074	-1,805
EBIT	9,606	-1,179¹	4,719	931¹
Financial result	-35,084	-12,398 ¹	-11,014	-3,581 ¹
<i>of which from interest</i>	<i>-14,841</i>	<i>-8,852</i>	<i>-4,992</i>	<i>-2,981</i>
<i>of which expend. from share issues</i>	<i>-3,305</i>	<i>0</i>	<i>-1,499</i>	<i>0</i>
<i>of which exchange rate effects</i>	<i>-16,938</i>	<i>-3,546¹</i>	<i>-4,523</i>	<i>-600¹</i>
EBT	-25,478	-11,219	-6,295	-2,650
Taxes on income and revenue	2,733	444	-834	573
Consolidated loss	-22,745	-10,775	-7,129	-2,077
Consolidated loss, adjusted²	-2,502	-7,229	-1,107	-1,477

¹ Adjusted figures 2016 for SbE, SbA and financial result, see above.

² Consolidated loss adjusted by exchange rate effects in the financial result and expenditure from share issues.

The global container market is transacted in USD, which means that all companies in the container business division prepare their balance sheets in USD, the functional currency. The exchange rate effects included in the financial result, which in the main are non-cash items, represent revenue and costs of EUR liabilities and receivables from the valuation at the reference date resulting from the increase in the EUR/USD exchange rate from 1.0541 EUR/USD on 31 December 2016 to 1.1806 EUR/USD on 30 September 2017.

In addition to the interest result and the above-described exchange rate effects, inasmuch as they are due to financing operations, the financial result also includes the non-cash exceptional effect resulting from the share issues. These are seen in the context of the issue of equity instruments to replace external finance. Due to the application of IFRIC 19 owing to exchange rate fluctuations in the market, these resulted in non-cash book losses that are shown in the financial result. These effects are not of a recurring nature, but could occur again in future as the result of comparable capital measures.

Overall, the Aves Group achieved a consolidated net loss, which was adjusted by the exceptional effects contained in the financial result, of k EUR -2,502 (py k EUR -7,229). For the third quarter 2017 this results in an adjusted loss of k EUR -1,107 compared to k EUR -1,477 in the third quarter of 2016.

FINANCIAL POSITION

The operating cash flow in the reporting period amounted to k EUR 21,209 following k EUR 10,827 in the comparison period 1 January 2016 to 30 September 2016 (py). The cash flow from investment activity in the reporting period amounted to k EUR -29,538 (py: k EUR -7,642). Investments in fixed assets in the first nine months of 2017 amounted to k EUR 32,672 (py: k EUR 8,480) and were thus significantly greater than in the

previous year's period. Cash flow from financing activity amounted to k EUR -20,463 (py: k EUR -7,303). This resulted mainly from the repayment of financial liabilities and from interest payments.

ANALYSIS OF NET ASSETS

The assets side of the consolidated balance sheet to 30 September 2017 was characterised by fixed assets amounting to k EUR 440,544 (31 December 2016: k EUR 445,400). In spite of investments exceeding depreciation and asset disposals, the book value of the net assets was reduced overall. This results from the effects of converting individual US dollar contracts in the container business in combination with the depreciation of the US dollar in relation to the euro. In the intangible assets, the goodwill values were increased by k EUR 5,624, which results from the first consolidation of CH2. See also the section "Changes in the companies to be consolidated".

Key aspects of the current assets are trading accounts receivable amounting to k EUR 16,336 (31 December 2016: k EUR 7,495) and other receivables amounting to k EUR 13,068 (31 December 2016: k EUR 15,302).

On the liabilities side, in spite of the results, equity capital in the consolidated balance sheet increased from k EUR 28,490 (31 December 2016) to k EUR 33,275. This results primarily from the increases in capital. Current and non-current financial debts amounted to k EUR 451,759 (31 December 2016: k EUR 468,938). Non-current debts trended from k EUR 318,391 as of 31 December 2016 to k EUR 353,473 as of 30 September 2017. On the other hand, current debts fell from k EUR 178,634 to k EUR 137,003.

SUPPLEMENTARY STATEMENT

In October 2017, after the balance sheet date of 30 September 2017, the Aves Group utilised the currently very attractive framework conditions in the container market and acquired a portfolio valued around USD 12 million. This consists of new containers having the benefit of long-term rental contracts. The portfolio is managed by UES International (HK) Holdings Limited, Hong Kong.

For the purpose of building up the portfolio of logistics properties, the Aves Group has, since October 2017, been cooperating with Logivest GmbH (hereinafter "Logivest") from Munich, a consultancy company specialising in logistics properties. This means that in future, the Aves Group will be able to utilise the Logivest network for the selection of suitable sites and properties. In addition, Logivest will carry out tasks for the Aves Group, such as location and property analyses. The Aves Group's focus is on new and existing buildings that are let. The cooperation between the two companies has already started with due diligence on a logistics property. As part of that activity, Logivest will examine both the commercial framework conditions and the location itself.

Mr. Henrik Christiansen has resigned from the Management Board for personal reasons as of 31 October 2017. As of November 2017, the Management Board of Aves One AG will consist of the two board members Peter Kampf and Jürgen Bauer.

In addition, the decision was made to utilise the improving framework conditions in the container market in order to further optimise the container portfolio. This involves the sale of certain containers that are not let in order to avoid the cost of storage. This decision affects about 7,000 containers, which are primarily located in ports with low demand. It is planned that the sale of these units be completed by the end of the first quarter of 2018. The transaction is subject to the provisions in IFRS 5 and, in the fourth quarter of the business year, will lead to exceptional depreciation of about EUR 4 million, based on the valuation at the lower "fair value" less the cost of selling in accordance with IFRS 5.15 / IFRS 5.20. Further to the one-off payment of about EUR 4 million in 2017, the Management Board expects this measure to result in on-going reductions in the storage cost amounting to about EUR 1.5 million annually. Furthermore, this measure will increase the liquidity of the Aves Group, which can be reinvested in new containers that are let at the current attractive conditions.

OUTLOOK REPORT 2017

In addition to increased sales revenues, the third quarter of 2017 also showed a disproportional EBITDA. The capacity utilisation rate in the Container Division, which had already increased in the first six months, improved further in the third quarter. Further successes were also achieved by improving the financing mix and the

financing structure, in particular by moving towards more favourable, long-term bank financing. Thus the Management Board confirms its trend projection formulated in the 2016 annual financial statement.

Based on measures currently being implemented, the Management Board expects sales revenues to increase further in the current business year 2017 compared to 2016. In addition to the full consolidation of the Rail acquisition at the end of 2016 for the whole 2017 business year (only 2 months in 2016), the plan is to achieve this through further build-up of as-new logistics equipment (primarily Rail and Container) and, if there are appropriate opportunities, through the acquisition of logistics properties.

For the same reason, a continued increase in the EBITDA is also expected, the main driver in this respect being the Rail business division. With regard to the capacity utilisation rate in the Container Equipment area, continued moderately increasing capacity utilisation is expected following the strong growth in the first nine months. The capacity utilisation ratio in the Rail Equipment segment is also expected to grow further to a high level.

Various long-term forms of financing are being examined to finance the Aves Group's growth by purchasing logistics equipment portfolios. In this context, a further reduction in financing costs is being sought by optimising the financing mix.

Hamburg, 30 November 2017

The Management Board

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