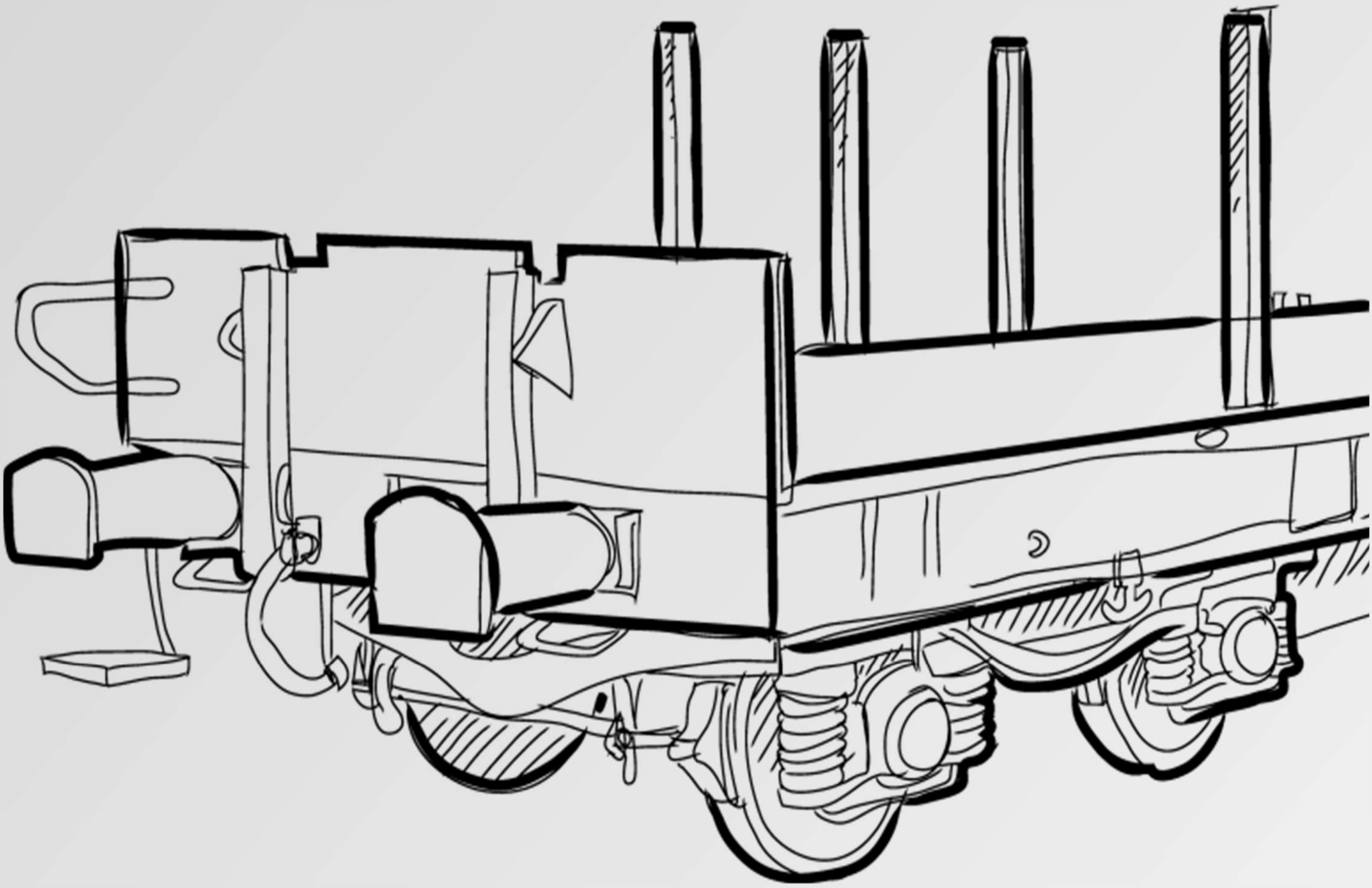

INTERIM REPORT 2020

AVES ONE AG

ON COURSE FOR FURTHER GROWTH

FOREWORD

Dear Shareholders, dear customers and business partners,

we have successfully continued our growth strategy in a challenging environment. In the first six months of 2020, Aves One achieved increasing revenues and stable EBITDA despite the COVID-19 pandemic.

Our Group revenues increased significantly compared to the same period of last year to EUR 63.6 million (PY: EUR 55.6 million). These figures include the sale of the last real estate asset. After the deduction of these one-time proceeds of EUR 3.4 million, revenues from operations rose to EUR 60.2 million.

The main driver of the revenue growth was the rail segment. Despite the slightly lower occupancy rate, it contributed approx. 70% of our rental revenues. The revenue share amounted to EUR 41.2 million - an increase of around 15% over last year. In the container segment, revenue increased only slightly compared to the first half of 2019 to EUR 18.3 million (PY: EUR 18.1 million).

The half-year financial year result clearly shows that the consistent strategic focus on the rail segment is paying off. In addition, our stringent portfolio management is proving its worth. In the first six months of 2020 the rail business generated an EBITDA of EUR 32.4 million, an increase of about 15%. The EBITDA margin of the rail segment was stable at a strong 78.6% (PY: 78.6%). Our core business remains successful.

The great stability and earning power of the rail segment is illustrated by a comparison with the container segment. The performance of the container segment was comparatively weaker in the first half of the year, mainly due to book losses from container disposals. The business segment suffered an EBITDA loss of EUR 3.0 million compared to the same period of the previous year and contributed an EBITDA of EUR 12.8 million to the Group result. At Group level, EBITDA increased slightly to EUR 42.2 million (PY: EUR 41.8 million) due to the strong performance of the rail business.

This performance confirms our decision to consistently continue on our chosen path. The rail segment in particular, but also investments in the swap body portfolio, are at the center of our attention. The further expansion of our rail investments and at the same time the continued reduction of sea containers remain our most important operational goals. The investments in the rail segment in the first half of 2020 show that the company continues to grow strongly, especially in the area of new wagons, and that the pace of growth can be maintained at a high level.

In view of the challenging environment, we remain committed to achieving revenue and EBITDA in 2020 at least at the level of the extremely strong 2019 financial year. We therefore expect a sales volume of more than EUR 117 million and an EBITDA of more than EUR 84 million.

We would like to thank you for your trust and look forward to your continued support as we continue on our growth path.

Best regards

The Management Board

Tobias Aulich Jürgen Bauer Sven Meißner

CONTENTS

GROUP INTERIM MANAGEMENT REPORT

1 FUNDAMENTAL INFORMATION ABOUT THE GROUP

The Aves One Group (hereinafter referred to as "Aves Group"; "Aves One AG" also individually as "Aves" or "the Company") is a strongly expanding portfolio holder of long-life logistics assets with a focus on freight wagons. Containers and swap bodies are also part of the portfolio. The Company plans to continue to sustainably increase the asset volume in the rail segment as well as in the swap body area until the end of 2020.

Aves One AG with its young, profitable freight and tank wagon portfolio is one of the leading private holders of logistic assets for rail in Europe. The strategy is geared towards constantly optimizing the Company's own portfolio and to continuously expand the logistics portfolio. The excellent access to markets as well as extensive expertise on financing by the management and an outstanding network of partners from both areas are the basis for continuous development and expansion of the business activities.

The Company itself has no significant business activities, instead it acts as a holding company and provides administrative services for its subsidiaries. Aves One AG, based in Hamburg, is listed on the regulated market (Prime Standard) of the Frankfurt Stock Exchange (ISIN: DE000A168114; WKN: A16811).

2 ECONOMIC REPORT

2.1 OVERALL ECONOMIC DEVELOPMENTS

During the first half of the year, the worldwide outbreak of the COVID-19 pandemic and its consequences have drastically affected the global economic environment.

In its forecast of June 2020, the International Monetary Fund (hereinafter referred to as "IMF") expects a global economic downturn of 4.9%, thus significantly reducing its April forecast by 1.9% once more. This mainly relates to the COVID-19 containment measures such as the closure of factories and stores, contact restrictions as well as the temporary almost complete cessation of international passenger air traffic.

According to the statistics agency Eurostat, the gross domestic product within the euro zone dropped by 12.1% in the second compared to the first quarter of 2020. Within the EU, a decline of 11.7% was recorded. These are the sharpest declines since statistics have been first collected in 1995. Significant reductions in economic output were particularly observed in Spain, Portugal, France and Italy.

According to the German Federal Statistical Office, the quarter-on-quarter decline in economic output in Germany amounts to 9.7% representing a much sharper drop than during the financial crisis of 2008/2009 and the most extensive decline since quarterly GDP calculations have begun in 1970. In contrast, the economic recovery began in May 2020 after initial easing of contact restrictions. The sharpest ever rise in the ifo business climate index from 79.2 points in May to 86.2 points in June of the current financial period reflects the positive expectations and brighter mood in the German economy.

Significant declines in economic output were also recorded for the USA (-9.5% compared to the previous quarter) and for the emerging markets.

To counteract the economic consequences of the COVID-19 pandemic, national and supranational central banks have taken fiscal and monetary measures globally. These measures include direct subsidies as well as loan and tax reliefs for companies and individuals.

DEVELOPMENTS IN RELEVANT MARKETS

The following sections deal with the development of industries that are relevant to the Aves Group's business operations.

RAIL

The European Commission aims to transfer 30 % of road freight transport over 300 km by 2030 and 50 % by 2050 to other modes such as rail or shipping. As part of this, a reduction in CO2 emissions is to be realised. Against this background, the Federal Government has decided in its coalition agreement and its "Master Plan Rail Freight" to permanently strengthen and expand rail freight transport while at the same time achieving the objectives of climate protection in the transport sector.

According to the new performance and financing agreement signed by the German government and Deutsche Bahn at the beginning of 2020, a total of EUR 86 billion is to be invested in rail infrastructure by 2030. This means that an average of EUR 8.6 billion will be invested annually in maintaining and modernizing the rail network. Relevant investments in rail freight infrastructure are also planned in France, Austria, Poland and Switzerland, among others, reflecting the importance of rail freight transport in Germany and Europe.

In the USA, leasing companies dominate about 65% of the freight wagon market. Pursuant to SCI Verkehr GmbH, Cologne (hereinafter referred to as "SCI"), the share of leasing companies in Europe will increase from 36% in 2018 to 45% by 2025 meaning that the freight wagon fleet of leasing companies will grow by 2.2 - 2.5% annually. Replacement investments are and will remain the market driver in the freight wagon sector, as high replacement investments will be necessary in the coming years due to the high average age of the wagon fleet in Europe. According to information from operators and manufacturers, fewer waon are still being produced than replacements would require. As a consequence, the average age of the fleets in operation continues to rise. Compared to the fleet size, the market for the production of new railway wagons in Europe is relatively small and, thus, does not meet market needs in years of strong demand. At the same time, old cars are being scrapped.

The long-term trend clearly shows an increase in the total volume of freight traffic benefiting from general growth trends. Rail freight transport's market share of total transport capacity in Europe is currently approx. 19%. However, in the past years, it has been observed that the average transport distance by rail is still rising being a sign for increased efficiency in rail transport.

In addition, during the COVID-19 lockdown, rail freight transport was classified as systemically relevant in most European countries to ensure security of supply emphasizing how important rail freight transport is for the economic cycle.

The Management Board expects major rail transport companies to show a greater trend towards leasing wagons in the future. There is an observable tendency for rail transport companies to be increasingly forced into concluding shorter-term transport contracts with their end customers as a consequence of the deregulated rail market, therefore they no longer want to make long-term investments in freight and tank wagons. The most important users of Aves' wagons are traditionally rail transport companies, rail forwarding agencies and, industrial customers and shipping agents.

As a result of the liberalized rail market, rail transport companies rather tend to enter into short-term transport contracts with their end customers more frequently than to invest in freight and tank wagons in the long term. The key lessees of Aves' wagons are traditionally rail transport companies, rail forwarding companies, industrial customers and shippers.

Aves is convinced that rail transport will play an important role in future European freight transport. Growth impetus is also expected from the reduction of rail freight traffic prices. The Management Board is convinced that the urgent need on the part of traditional rail transport companies for renewal of the freight wagon fleet associated with the investment backlog, together with the new European requirement relating to freight wagon safety and maintenance, will lead to a considerable increase in the demand for modern freight wagons in the next few years. The Management Board takes the general view that transport policy measures at an EU and regional level will have a long-term positive effect on the framework conditions for freight transport by rail and will also make rail more competitive compared to freight traffic by road.

CONTAINER

The world trade volume being a decisive factor for the demand for container transport services, rose by 1.0% only in 2019 after the IMF had assumed a growth rate of 4.0% at the beginning of 2019.

With the increasing spread of the Corona virus, the consequences of the pandemic for the global economy became visible at the latest by March 2020, negatively affecting the international movement of goods as well. In the first half of 2020, the volume of TEU transported worldwide fell by 6.8%, particularly on the Atlantic and on the routes between the Far East and Europe and North and South America.

Despite this decline as consequence of the COVID-19 pandemic, there has been a noticeable recovery in world trade and container handling. The Container Handling Index of the RWI - Leibniz Institute of Economic Research and the Institute of Shipping Economics and Logistics (ISL) rose from 110.2 in June to 116.2 in July 2020, remaining slightly below the previous year's value. The recovery was significantly influenced by a new all-time high of container handling in the Chinese ports. But also outside of China, container handling increased strongly reapproaching the level prior to the Corona pandemic. The recovery is spreading to more and more regions and ports. However, it remains to be seen to what extent this trend is sustainable or represents a catch-up effect.

The total capacity of the world container ship fleet amounted to around 23 million TEU at the beginning of 2020 and is expected to increase by around 0.6 million TEU during the year (Drewry Container Forecaster Q2 2020). According to the industry service Seabury, global cargo volume in 2019 was around 152 million TEU, an increase of 0.8% over the previous year. Due to the economic and trade restrictions imposed by the COVID-19 pandemic, industry experts expect container transport volumes to decline in 2020. Drewry's experts predict that the share of leasing companies in the global container ship fleet will decrease slightly in 2020, but will continue to increase until 2024. Harrison Consulting estimates that, after reducing production in 2019 and also in 2020, manufacturers will be able to increase prices for containers, a trend that could have a positive effect on lessors in terms of both lease renewal rates and the resale of containers. In the course of the COVID-19 pandemic, the Aves Group has so far observed in the current financial year that shipping companies are demanding rent reductions fro new leases or lease extensions.

Furthermore, the secondary market demand for containers could continue to grow in the future, due to the wide range of possible usage for containers including infrastructure projects and aid programs that use them as cost-effective accommodation. This in turn may lead to rising prices in the resale market. Especially the use of used containers as storage containers or in the context of one-off transports for large, heavy, high-value or critical cargo is meeting with increasing interest in the market.

In the swap body sector, logistics companies from the so-called courier, express and parcel (CEP) market are among the main lessees. One of the main growth drivers continues to be the increasing online trade in the B2C (business-to-consumer) segment, but an increase was also recorded for international shipments. In 2019, a new record was set in the CEP market with 3.7 billion shipments. According to estimates by the Bundesverband Paket- und Express-logistik e.V. (German Parcel and Express Logistics Association), the volume of shipments is expected to continue to grow by a total of 3.6% to 4.2% per year to 4.4 billion shipments over the next few years until 2024. The importance of international CEP shipments will continue to increase in the medium term. In addition, logistics companies continue to focus on their core business or have no choice or interest in procuring these mobile assets under aspects of accounting policy.

2.2 COURSE OF BUSINESS

In the reporting period, the focus continued to be on continuing the growth course, especially in the rail segment, even under the conditions caused by the COVID-19 pandemic. Furthermore the focus lies on increasing sales and group earnings and further optimizing the financing structure. In addition to investments primarily in freight wagons with stable cash flows the slight decline in utilization in the rail and container segment was maintained at a stable level.

The assets of Aves held in its own portfolio amounted to a total volume of around EUR 973 million as at 30 June 2020 after several transactions included. In detail, the following significant business transactions occurred in 2020:

COMMITTEE RESOLUTIONS

On 29 June 2020, the Supervisory Board of Aves One AG appointed Mr. Sven Meissner to the Management Board of the company ahead of schedule for a further period until 30 June 2023.

ECONOMIC TRANSACTIONS

The self-storage park in Münster was sold on basis of an agreement dated 24 January 2020 consequently the final closing of the real estate segment was successfully completed.

In the first six months of the financial year, Aves Group has expanded its rail portfolio with investments of around EUR 65.3 million. This investments included 669 almost fully leased freight wagons, the majority of them were delivered after the outbreak of the COVID-19 pandemic. Furthermore, Aves has a well filled investment-pipeline of more than EUR 120 million whereby one part is already fixed the other part is currently in negotiation.

In addition to that, the swap body portfolio was also strengthened. In the first half of 2020, more than 200 long-term leased swap bodies amounting to EUR 2.1 million were delivered. Furtheron another 500 swap bodies with an amount of around EUR 4.6 million were ordered and are scheduled for delivery by the end of the year 2020. With these transactions the average age of the swap body portfolio will be reduced and the average rental period increased.

As part of the financing of the growth course and the further diversification of the financing structure, the Aves Group has issued further bearer bonds in 2020. The comany will continue to use this instrument during the remaining financial year.

2.3 RESULTS FROM OPERATIONS

The Aves Group generated sales of EURk 63,567 million (PY: EURk 55,557) in the first six months of 2020, hereinafter referred to as the "reporting period". Sales include EURk 3,394 from the sale of the remaining logistics property. The significant growth in sales mainly relates to the extensive investments effected in the prior period and to the investments of the reporting period. Sales of EURk 41.163 (PY: EURk 35.755) relate to the rail segment and EURk 18.255 (PY: EURk 18.089) to the container segment. The increase in sales of the operating divisions was thus slightly slower than the increase in the asset portfolio.

in EURk	H1 2020	H1 2019	Q2 2020	Q2 2019
Sales	63,567	55,557	29,839	28,365
Change in inventories of finished goods and work in progress	-3,063	0	0	0
Cost of materials	-11,769	-9,343	-5,912	-4,689
Personnel expenses	-2,420	-2,338	-1,131	-1,178
Other operating income	1,010	1,129	9	718
Other operating expenses	-5,164	-3,158	-2,364	-2,015
EBITDA	**42,161**	**41,847**	**20,441**	**21,201**
Amortization, depreciation and impairment of intangible and tangible assets	-18,892	-15,384	-9,856	-7,913
EBIT	**23,269**	**26,463**	**10,585**	**13,288**
Financial result	-20,987	-18,523	-14,241	-12,016
EBT	2,282	7,940	-3,656	1,272
EBT adjusted	**1,780**	**6,773**	**2**	**3,396**
Taxes on income and profit	-904	-2,890	1,170	-2,885
thereof current taxes	-2,509	-1,776	-2,032	-1,714
thereof deferred taxes	1,605	-1,114	3,202	-1,171
Earnings after tax	**1,378**	**5,050**	**-2,486**	**-1,613**

[1]EBT adjusted for currency effects on financial receivables and liabilities considered in financial result

The change in inventories of EURk 3.063 (PY: EURk 0) results from the sale of the logistics property, that was sold without affecting income on a net basis.

Other income was slightly below prior year with EURk 1,010 (PY: EURk 1,129). Other operating income of EURk 748 (PY: EURk 182) relates to the rail segment while EURk 161 (PY: EURk 1,234) relate to the container segment. Sales are allocated according to segments. An allocation by region, however, is not possible as container assets are leased worldwide and rail wagons are mainly leased in the DACH region (Germany, Austria and Switzerland).

Cost of materials increased to EURk 11.769 compared to EURk 9.343 in the prior period due to the strong sales growth. Overall, a slight decrease of the margin ((sales less cost of materials)/sales) of the operating divisions from 82.5% in the previous period to 80.2% in the reporting period was recorded. Within the rail segment, the margin fell to 79.3% (PY: 81.1%), what is mainly due to a slight year-on-year reduction in capacity utilization that, however, remains at a stable level. The margin in the container segment fell from 85.4% to 82.2%. The disproportionate increase in the cost of materials is mainly due to increased maintenance activities totalling EURk 815, that were carried out to strengthen the swap body portfolio. In addition, a slightly lower utilization of capacity, that, however, remains at a comparably high level, negatively affected the margin.

Personnel expenses remain on a stable level with EURk 2.420 (PY: EURk 2.338).

The increase in other expenses to EURk 5,164 (PY: EURk 3,158) is mainly the result of EURk 1,341 higher losses from the disposal of assets, primarily in the container area as well as higher audit and IT costs of EURk 478.

Earnings before interest, taxes, depreciation and amortization (EBITDA) increased to EURk 42.161 (PY: EURk 41.847) in the reporting period. The EBITDA margin, adjusted for one-off sale proceeds from the sale of the logistics property, decreased from 75.3% to 70.1% in the reporting period. The EBITDA of the rail segment improved by EURk 4,270 to EURk 32,360 compared to the prior year period while the EBITDA of the container segment decreased from EURk 15,759 to EURk 12,754 in the reporting period. The decrease mainly relates to increased losses from the disposal of fixed assets of EURk 1,828 (PY: EURk 573), which almost completely resulted from the sale of less profitable sea containers, and a decrease of other income by EURk 1,073.

As a result of the strong investment activity in the prior period and the reporting period, depreciation and amortization increased by EURk 3,508 to EURk 18,892.

The Aves Group's financial result developed from EURk -18,523 to EURk -20,987, what is mainly due to increased interest expenses of EURk 21,324 (PY: EURk 19,140) resulting from borrowings (in the form of bank loans, bonds, loans from institutional investors and direct investments) to finance newly acquired assets and the reduction of non-cash currency effects from EURk 1,167 in the prior-year period to EURk 502 in the first six months of the reporting period.

Taking into account the financial result, earnings before taxes (EBT) amount to EURk 2,282 (PY: EURk 7,940). The EBT of the rail segment amounts to EURk 9,409 (PY: EURk 10,001). The EBT of the container segment amounts to EURk -4,216 (PY: EURk -264).

Earnings after tax are totalling EURk 1,378 (PY: EURk 5,050). Adjusted for currency effects disclosed in financial result, an adjusted EBT of EURk 1,780 (PY: EURk 6,773) was achieved.

2.4 FINANCIAL SITUATION & ASSET SITUATION

ASSET SITUATION

Compared to 31 December 2019, total assets of Aves increased from EURk 1,036,206 to EURk 1,068,328.

As at 30 June 2020 the asset side of the consolidated balance sheet was characterized by fixed assets amounting to EURk 975,027 (PY: EURk 924,327). The increase mainly relates to the investments made in the rail division and in swap bodies. Financial assets include interest rate caps of EURk 2,075 (PY: EURk 2,305) which were treated as hedge accounting with the exception of one interest rate cap. Furthermore, EURk 1,609 (PY: EURk 741) relates to early termination rights of the bonds issued by the Aves Group.

Current assets decreased to EURk 68,624 compared to EURk 91,273 in the previous year. Primarily due to the sale of the logistics property, inventories decreased by EURk 3,446 to EURk 319. Trade receivables decreased to EURk 18,455 (PY: EURk 22,465). Other assets and prepayments of EURk 26,125 (PY: EURk 30,071) mainly contain restricted cash (reserve accounts for future maintenance and debt service) amounting to EURk 15,612 (PY: EURk 21,976), which were mainly set up to finance the rail portfolios. Furthermore, current assets include cash and cash equivalents of EURk 22,083 (PY: EURk 30,887). This decrease mainly relates to the use of acquired fund in the last fiscal year for investments in the asset portfolio.

On liabilities side equity rose from EURk 41,644 to EURk 42,926 compared to previous year. Non-current liabilities increased from EURk 813,216 as at 31 December 2019 to EURk 846,870 mainly due to the issuance of bonds to finance logistics assets. Whereas current liabilities decreased slightly from EURk 181,346 to EURk 178,532.

Current financial liabilities amounted to EURk 164,895 compared to EURk 166,494 in the prior year. The increase in total financial debt is related to the investments made in the reporting year and includes bonds, bank loans, financing from institutional investors and direct investments.

The Management Board of Aves One AG has also accepted the exchange rate risk (US Dollar to EURO) existing in the Container segment. However, the exchange rate effects with regard to financings in EURO within the container segment are essentially non-cash-item effects from the currency conversion further on the corresponding assets are held for the long term and the time of sale of the assets can be consciously chosen. On the other hand, hedging the currency risk using financial instruments would lead to an immediate cash outflow, which should be avoided in order not to prevent a burden on the Group's liquidity. The Management Board of Aves One AG is monitoring the currency risk and the currency development regularly to assess the need to consider hedging through appropriate financial instruments in the future.

FINANCIAL SITUATION

Cash flows from operating activities amounted to EURk 44,028 (PY: EURk 43,005). Cash flows from investing activities amounted to EURk -48,009 (PY: EURk -31,869). In contrast to previous year's period investments in fixed assets increased to EURk -60,274 (PY: EURK -45,384).

Cash flow from financing activities amounted to EURk -4,833 (PY: EURk -9,116).

In order to finance freight and tank wagons as well as swap bodies, the Company incurred liabilities of EURk 113,703 (PY: EURk 118,980) in the reporting period. In addition, there were cash-effective interest payments of EURk -17,616 (PY: EURk -15,688) and redemptions of financial liabilities amounting to EURk -99,077 (PY: EURk -112,408). The Aves Group was always in a position to fulfill its repayment obligations.

The Management Board improves the capital structure continuously. Changing market conditions and suitable refinancing will be adapted in order to ensure the solvency of the Aves Group in the future. Because of the current economic situation the management decided to maintain a slight higher level of liquidity on average.

The Management Board has no indications that there will be any significant adverse changes in the Aves Group's capital situation.

3 OPPORTUNITIES AND RISK REPORT

3.1 RISK MANAGEMENT

Aves Group identifies potential risks in the scope of the risk management system as early as possible. The Management Board evaluates and controls these in close cooperation with the Company's operative units. The integral parts of the system are the systematic risk identification and risk assessment, upon which measures for avoidance, reduction and limitation of risks can be initiated. An individual risk inventory of the macro as well as micro risks captures all material risks. Particular attention is paid to the existence of going concern endangering risks and their early detection. Countermeasures can be initiated or strategy adjustments can be promptly addressed. The risk management system is continuously and systematically developed further. The risk policy of the Aves Group corresponds to the endeavor to grow sustainably and increase profitability.

STRUCTURES AND PROCESSES

As part of the risk assessment, the known risks are classified by the responsible Managing Directors of the respective segments, i.e. Holdings, Rail, Container and Real Estate. Here the risks are grouped according to their amount and probability of occurrence. The likelihood of occurrence is classified as low (0%-33%), medium (33%-66%) or high (66%-100%). Each risk is assigned a maximum financial risk in EUR. Multiplication of the two variables leads to the weighted risks which enables direct ranking. Depending on the amount of the weighed risk in EURk, it is divided into four categories:

- Low (< EURk 1,000)
- Medium/significant (EURk 1,000 – 5,000)
- Critical (EURk 5,000 – 10,000)
- Existence-threatening (above EURk 10.000)

Starting at a "significant" weighted risk, this risk is observed particularly by the Management Board and the Managing Directors of the segments.

The risks already identified are regularly reassessed by the Management Board / Managing Directors and, if necessary, re-classified according to the changing framework conditions. This also applies to newly identified risks. There is a reporting system at the Board level pursuant to Section 90 of the German Stock Corporation Act (AktG). Changes to the business policy and major transactions that have a material impact on the profit and loss account of the Company are either reported as part of the regular Supervisory Board meetings held quarterly, or if necessary, immediately.

A detailed description of the risks facing the Aves Group can be found in the Group Management Report 2019, which is available on the Internet at http://www.avesone.com/en/aves_investoren_publikationen_finanzberichte.php and in the Federal Gazette.

3.2 SIGNIFICANT CHANGES IN RISKS COMPARED TO THE GROUP MANAGEMENT REPORT 2019

With regards to the presentation of the material risks and opportunities, reference is made to the respective information in the Group Management Report of the Annual Report 2019. Overall, the same Group risks are considered material as at 30 June 2020 as they were as at 31 December 2019. The critical risks are explained below.

RISKS ASSOCIATED WITH CHANGES IN THE MARKET PRICE OF ASSETS

Prices for the purchase and lease of sea containers remained stable or rose slightly in the period under review compared with 2019. The market price risk in terms of lease rates is countered by means of contracts with as long a term as possible. In the sea container market, there remains a dependency on price changes for the portion of the portfolio that is only leased for the short term. In the wake of the COVID-19 pandemic, it can be observed that shipping companies are demanding reductions in lease rates when contracts are extended. The risk is still considered critical due to the high volatility combined with the uncertainties in connection with the Corona pandemic and its effects on the worldwide transport of goods.

3.3 OVERALL RISK

The Aves Group's business model is based on three main interrelated factors: The acquisition of long-life logistics assets with sustained good cash flow performance in liquid markets, access to favorable financing terms and generation of capital.

These three factors thus represent the main risk areas. The awareness of this situation characterizes the activities of the Management Board. This is seen as the basis for the further optimization of financing at favorable conditions. In parallel, investment projects are initiated and developed that meet the requirements in terms of sustainability and return. Closely related to this is the supply of liquid funds, that need to be secured at all times in order to meet obligations to investors or lenders on the one hand, but also to be able to react quickly to investment opportunities arising in the market. In addition to all other areas of risk, which are subject to constant monitoring, the Management Board also considers itself in a position to successfully implement necessary capital procurement measures, if required, with regards to outstanding issues thanks to the Company's expertise and stable shareholder structure.

Thus, as at the reporting date, there are significant and critical risks, however, no risks that threaten the existence of the Company, neither individually nor as a Group.

3.4 REPORT ON OPPORTUNITIES

The risk management system includes both risks and opportunities. In addition to risk identification and risk avoidance, the strategic focus on business opportunities is intended to contribute to a sustained increase in the value of the Company, to increase profitability and to secure the continued existence of the Aves Group in the long term. The opportunities of the Aves Group have further increased compared to the previous period. Both the strong investment activity in the prior year and the acquisitions made in the current financial period as well as the current investment pipeline contribute to this. In addition, the further increase in demand for logistics assets, capacity utilization at a comparably high level and the improvement in the financing structure will have a positive impact on the Aves Group. The identification of opportunities is an integral part of corporate management. The general conditions, the market and industry situation and the business development described above allow for various opportunities of which the following selected ones are presented below.

RAIL

In Germany and Europe, the liberalization of rail freight transport is supported and required. According to a target set by the European Commission, 50% of freight traffic is to shift from road to other means of transport, such as rail or ship, by 2050. Thereby, climate protection targets, such as the reduction of CO2 emissions, shall be achieved and the environmental advantages of rail compared to road transport are to be used and expanded. With the Green Deal introduced by the EU in 2019, the initial climate protection targets have been extended. In addition, the COVID-19 pandemic has demonstrated that rail transport can contribute to secure supply in an efficient and more climate-friendly way than other means of transport. In this respect, further positive impulses for rail freight transport may result from the requirements to counteract the negative effects on climate change.

SCI expects that particularly the intermodal sector is growing strongly by 2030 in order to shift freight transport from road to rail. Today, 35% of rail transport in Germany is already provided by combined means of transport, what can be regarded as an important growth market.

Against this background, the Aves Group is in a market environment with good prospects. As the state-owned railroad companies have limited financing options, they are increasingly focusing on investments in the rail network and passenger transport. An end to this disinvestment in wagons seems rather unlikely. In the USA, leasing companies dominate about 65% of the freight wagon market. The share of leasing companies in Europe is constantly increasing, being still comparatively low at just over 30%. Replacement investments are and will remain the market driver in the freight wagon sector, as high replacement investments will be necessary in the coming years due to the high average age of the wagon fleet in Europe. According to information from operators and manufacturers, fewer cars are still being produced than replacements would require. As a consequence, the average age of the fleets in operation continues to rise. The Aves Group sees particularly good opportunities to grow in this market and to contribute to closing the growing gap between demand and supply by investments in new and existing wagons. With the investments made, Aves has a broad portfolio of freight and tank wagons, intermodal and bulk freight wagons as well as other wagons. The Management Board of the Company focuses on the rail segment and intends to significantly expand this division through further acquisitions and to seize growth opportunities.

CONTAINER

The container market is particularly dependent on world trade, the capacities of the world container ship fleet and the production of new containers. In addition to increased transport demand the development of the price of steel and the regulations in force since 2020 regarding the reduction of sulfur dioxide emissions play a role particularly within the container sector. Furthermore, it is expected that market participants, such as shipping companies, will continue to focus on their core business and, thus, only keep limited budgets for the acquisition of new containers and, following the trend of the last few years, have fewer and fewer logistics assets in their own possession. The trend is expected to continue, with the leasing companies' fleets growing much faster than those of shipping companies. Due to greater flexibility, shipping companies will increasingly lease assets from container companies, which in turn are likely to have containers from the Aves Group in their portfolio.

In the special equipment sector, logistics companies from the so-called courier, express and parcel market (CEP market) are among the main lessees of swap bodies. One of the main growth drivers continues to be the increasing online trade in the B2C (business-to-consumer) segment, but an increase was also recorded for international shipments. According to estimates by the Bundesverband Paket- und Express-logistik e.V. (German Parcel and Express Logistics Association), the volume of shipments is expected to continue to grow by a total of 3.6% to 4.2% per year (Covid-19 effect included) to 4.4 billion shipments over the next few years until 2024. Logistics companies continue to focus on their core business or have no choice or interest in procuring these mobile assets under aspects of accounting policy. These two factors are thus accelerating the growth of the leasing companies that are partners of the Aves Group. SCI also expects positive effects on the swap body market. An increase in production capacity of swap bodies is expected due to new market participants, that should in turn increase rental rates. Due to increasing online trade, demand for swap bodies is expected to rise. The internationalization of logistics companies, especially to Eastern Europe, may create additional growth potential for the swap body market.

THE OPPORTUNITIES OF THE AVES GROUP

If the markets develop as forecasted and the planned strategic measures of the Aves Group can be implemented, there is a good chance that capacity utilization rates will remain stable at a high level across all divisions and that the financial performance will improve. Furthermore, the current and future markets are examined with regards to opportunities for strategic acquisitions, participations or partnerships in order to complement organic growth. Such activities may strengthen the competitive position of the Aves Group in the markets currently operated, open-up new markets or complement the portfolio in selected areas. The Management Board expects to be able to implement the planned strategic measures.

4 FORECAST REPORT

OVERALL ECONOMIC SITUATION

The COVID-19 pandemic has had a dramatic impact on global economic growth since its outbreak in the first quarter of 2020.

In the IMF's economic forecast, which was updated in June, experts assume in their basic scenario that global economic growth will decline by 4.9%, after a decline of 3.0% had been forecasted in April. This drastic downturn thus clearly exceeds the economic impact of the financial and economic crisis in 2008/2009. The IMF economists point out that the forecast is subject to a high degree of uncertainty, as it assumes that the economic trough of the crisis was overcome in the second quarter of 2020. A noticeable recovery and global growth of 5.4% is expected for 2021.

According to the IMF, Germany's gross domestic product is going to decline by 7.8% in 2020 with a significant growth of 5.4% expected for 2021. In contrast, the RWI-Leibnitz Institute for Economic Research forecasts a decline of 5.8% for 2020 and a growth of 6.4% for 2021.

According to the summer forecast of the EU Commission, the economy in the euro zone is expected to decline by 8.7% in 2020 and grow by 6.1% in 2021. The same forecast expects a GDP decline of 8.3% in 2020 and a GDP growth of 5.8% in 2021.

For China, that was the first to benefit from easing measures and the economic upturn, growth of 1.0% is expected in 2020, with a further significant increase of 8.2% in the following year.

According to IMF calculations, the economy in the USA is also expected to slump significantly by 8.0% in 2020. Growth of 4.5% is forecasted for 2021.

All in all, the various forecasts are similar to the extent that they all involve a high degree of uncertainty, as the duration and dimension of the COVID-19 pandemic and further future containment measures are not foreseeable. Furthermore, it is not possible to reliably assess the extent to which the economic stimulus and aid programs of central banks and governments will be effective and, if necessary, protectionist measures and a shift away from global production and supply chains will have a negative impact on trade and the global economy.

SITUATION IN RELEVANT MARKETS

RAIL

The market share of rail freight transport in the total transport sector in Europe is about 19%. The advancing liberalization of markets previously dominated by state-owned railroads is creating growth opportunities for private logistics service providers. In addition, the German Federal Government and the European Commission have decided to strengthen and expand rail freight transport in the long term due to environmental benefits and climate protection targets. Furthermore, additional growth impulses are expected from the reduction in rail freight prices decided by the German government.

The majority of railroad companies have recognized the need for restructuring and consolidation, and some even have taken the first steps. Often, however, the state-owned shareholders in particular are not willing to consistently implement the reform steps that have been identified and to finance the necessary investments, or they prefer to focus on the rail network infrastructure and passenger transport.

In the course of further consolidation, numerous mergers and takeovers have already taken place and more are in the pipeline. An increasing interest in so-called rolling stock assets was observed on the part of global logistics providers, shipping companies, private equity companies and infrastructure funds.

Noise control is and will remain an important factor in European rail freight transport to achieve environmental goals. In addition, more and more customers expect an equipment standard, that is already common practice in road freight transport, for example digital systems to determine the position of vehicles and mileage data. With regards to maintenance and repair management, the ability to collect and evaluate data is playing an increasingly important role to reduce maintenance costs and simplify logistics processes.

The effects of the COVID-19 pandemic on rail freight transport, that was declared to be systemically relevant during the lockdown, cannot be conclusively assessed at present. However, the industry could even emerge from this situation stronger in the long term. So far, the rail division of the Aves Group has only been slightly affected by the consequences of the outbreak of COVID-19. Nevertheless, the pandemic is expected to differently impact the industries in which the Aves portfolio is deployed. Due to the poor state of the steel industry, a slight decrease in capacity utilization is expected, but is currently still at a high level. In industries in which, for example, output figures or product demand are declining in the short term, capacity utilization may fall. On the other hand, there will also be areas in which there is higher demand for freight and tank wagons. Rent rate increases, as recently widely accepted, will probably be difficult to enforce in 2020.

It can be assumed that after the COVID-19 pandemic, infrastructure investments will be made as part of economic stimulus programs to strengthen Europe as production location. Accordingly, the European rail freight traffic can emerge as a winner from the overall development.

CONTAINER

According to the IMF's calculations of June 2020 the global trade volume – an important indicator for the demand for container transport services - is expected to drop by -11.9% in 2020 followed by a significant recovery in 2021 by 8.0%. In the estimation of the IfW Institute, however, global trade is recovering faster as used to happen during the financial crisis of 2008/2009 and will show a V-shaped recovery. This attitude is mainly supported by the shipping activities in important regions on basis of the total capacity observable container ships. The Container Handling Index of the RWI (Leibniz Institute for Economic Research) and the Institute of Shipping Economics and Logistics (ISL) rose up to 116.2 in July 2020 from 110.2 in June 2020, only slightly below the previous year's figures and thus showing a noticeable recovery in world trade volume and container handling.

According to Drewry (Drewry, Container Equipment Insight Q2/2020) container production fell by 40% in the first half of fiscal year 2020 compared to previous period. After producing approximately 2.8 million TEU containers in 2019 whereas 2020 production is assumed by nearly 2 million TEU containers. Conversely a strong recovery in production activities is expected in 2021. In addition, Drewry expects a slight decline of the shares of the global container fleet by leasing companies due to the COVID-19 pandemic, whereas a recovery until 2024 is probable.

Harrison Consulting believes that the reduced production of containers in 2019 and the closing down of factories due to the corona virus, especially in China, has led to a further reduction in container capacities. As a result prices for new containers could be increased from USD 1,650 in the fourth quarter of 2019 to USD 1,975 in the second quarter of 2020 because of reduced capacities in China, USA and Europe. Further on Drewry expects that this trend is likely to continue in the second half of 2020 as well as manufacturers will report profit margins again. In the past there was a direct correlation between prices of new containers and resale prices. Although a slight recovery of resale prices was visible in the first half of the fiscal year a weakening of the direct correlation described above can be observed currently. According to Harrison, the secondary market demand for containers will continue to increase due to the wide range of possible uses including infrastructure projects and aid programs, thus also impulses for rising resale prices could be triggered. It remains to be seen whether this development will actually have an impact on the real market.

The impact of the COVID-19 pandemic and its consequences on the container market cannot be reliably estimated at present.

However, it can still be assumed that market players such as shipping companies will continue to keep their focus on their core business due to the pressure on margins. Thus, following the trend over the past few years the market players will reduce their logistics assets in their own inventory. Against the background to get greater flexibility shipping companies will step up their leasing activities from container leasing companies, which in turn are asset managers on behalf of the Aves Group.

In the special equipment sector, logistics companies from the so-called courier, express and parcel (CEP) market are part of the group of core tenants of swap bodies. The Bundesverband Paket und Expresslogistik

e. V. (German Parcel and Express Logistics Association) expects a further growth in the volume of parcels of 3.6% to 4.2% p.a. to a total amount of 4.4 billion parcels until 2024. One of the main growth drivers continues to be the increasing online commerce in the B2C (business-to-consumer) segment, but an increase was also recorded for international parcels, which will also continue and increase in the future.

OUTLOOK

In the opinion of the Management Board the Aves Group's business model is based on a solid foundation through its business divisions. Especially the rail segment, but also investments in the swap bodies will continue to be the focus of attention in financial year 2020. As part of the further focusing, the Management Board has made the strategic decision to stop further investments in sea containers. The investments in the rail segment in the first half of 2020 show the strong growth of the company, especially in the area of new freight wagons furthermore that the pace of growth can be maintained at a high level. By focusing on these business segments, Aves is differentiating itself from other market players.

The impact of the COVID-19 pandemic and its consequences to the overall economic development are also noticeable by the Aves Group. The core segment rail and its rental revenues remain stable. Capacity utilization declines in this segment primarily due to the crisis in the steel industry, which began before the COVID-19 pandemic. A rapid recovery is not expected. All returns of wagons, which were mainly affected by this crisis, were completed in May. In many other rail markets demand is intact. Important lease agreements expiring in fiscal year 2020 were extended and orders for new wagons were placed. Overall, the Management Board is satisfied with the development in the rail segment. The further expansion of the rail portfolio and reduction of the sea container stock are the most important operational goals for the rest of the fiscal year. As has already been done, the aim is to further expand the swap body portfolio and the performance of this subsegment will be permanently monitored and optimized by the Mangement Board.

Based on the measures currently being implemented and the full-year effect of the investment activities of 2019 fiscal as well as the investments of the current fiscal year, the Management Board looks to the future with confidence for the current 2020 fiscal year.

In order to finance the further growth of the Aves Group and the acquisition of portfolios of mobile logistics assets, various forms of financing continue to be examined. In this context, the reduction of financing costs by means of refinancing and other forms of financing initiated in previous years will be systematically continued by the Management Board.

In view of the challenging environment, the Management Board holds to its forecast to achieve sales revenues and EBITDA at the level of the extremely strong fiscal year 2019. The Management Board therefore forecasts a revenue volume of over EUR 117 million and EBITDA of over EUR 84 million.

Financing costs will continue to rise in absolute terms due to the planned asset growth. However, the development of relative financing costs will remain in the focus of the Management Board due to the refinancing measures and the optimization of the financing mix.

As in the previous year, the Management Board points out that due to the fact that the container segment and all related operating business is conducted in USD, but financing is still primary concluded in EUR, thus the consolidated financial statements may be strongly influenced by currency effects.

Hamburg, 21 September 2020

The Management Board

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

in EURk	Notes reference	30/06/2020	31/12/2019
Assets			
Intangible fixed assets	1.4.1	6,535	6,566
Tangible fixed assets	1.4.2, 4.1	975,027	924,327
Investments accounted for using the equity method		70	72
Other financial assets	4.2, 5	3,684	3,046
Deferred tax claims	4.7	14,388	10,922
Long-term assets		**999,704**	**944,933**
Inventories	4.3	319	3,765
Trade accounts receivable	4.4	18,455	22,465
Financial receivables		493	424
Other assets and advance payments	4.5	26,125	30,071
Tax reimbursement claims		1,149	3,661
Liquid funds	4.6	22,083	30,887
Short-term assets		**68,624**	**91,273**
Balance sheet total		**1,068,328**	**1,036,206**

CONSOLIDATED BALANCE SHEET

in EURk	Notes reference	30/06/2020	31/12/2019
Equity			
Subscribed capital		13,015	13,015
Capital reserves		40,043	40,043
Retained earnings		-7,402	-8,776
Other reserves		-2,853	-2,757
Equity attributable to Aves One AG shareholders		**42,803**	**41,525**
Non-controlling interests		123	119
Total equity	**4.8**	**42,926**	**41,644**
Liabilities			
Financial liabilities	4.9, 5	837,780	805,906
Deferred tax liabilities	4.7	9,090	7,310
Long-term liabilities		**846,870**	**813,216**
Tax liabilities		2,332	2,522
Financial liabilities	4.9, 5	164,895	166,494
Trade accounts payable		6,269	7,854
Other liabilities		5,036	4,476
Short-term liabilities		**178,532**	**181,346**
Total liabilities		**1,025,402**	**994,562**
Balance sheet total		**1,068,328**	**1,036,206**

CONSOLIDATED INCOME STATEMENT

in EURk	Notes reference	30/06/2020	30/06/2019
Sales	3.1	63,567	55,557
Change in inventories of finished goods and work in progress	3.2	-3,063	0
Other operating income	3.3	1,012	1,158
Cost of materials	3.4	-11,769	-9,343
Personnel expenses	3.5	-2,420	-2,338
Other operating expenses	3.6	-5,164	-3,158
Result from investments accounted for using the equity method (net of tax)		-2	-29
Earnings before depreciation, interest and taxes (EBITDA)		**42,161**	**41,847**
Amortization, depreciation and impairment of intangible and tangible assets	3.7	-18,892	-15,384
Earnings from operating activities including the result from investments accounted for using the equity method (EBIT)		**23,269**	**26,463**
Interest income		218	74
Interest expenses		-21,324	-19,140
Currency effects on financial receivables and financial liabilities		502	1,167
Financing secondary costs		-597	-624
Other financial result		214	0
Financial result	**3.8**	**-20,987**	**-18,523**
Earnings before tax		**2,282**	**7,940**
Taxes on income and profit	3.9	-904	-2,890
Earnings after tax		**1,378**	**5,050**
Attributable to			
Aves One AG shareholders		1,374	5,075
Non-controlling interests		4	-25
Diluted and undiluted earnings per share (EUR)		0.11	0.39
Average number of outstanding shares (diluted and undiluted)		13,015,053	13,015,053

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EURk	30/06/2020	30/06/2019
Consolidated profit	**1,378**	**5,050**
Items that will not be reclassified to profit or loss	**0**	**0**
Gains/losses on currency translation recognized in other comprehensive income	39	-92
Transferred to profit or loss	0	0
Deferred taxes relating to exchange differences on translating foreign operations	0	0
Exchange differences on translating foreign operations, net of tax	39	-92
Fair value changes recognized in other comprehensive income	0	0
Transferred to profit or loss	0	0
Deferred taxes relating to cash flow hedges	0	0
Cash flow hedges, net of tax	0	0
Fair value changes recognized in other comprehensive income	-242	-4,609
Transferred to profit or loss	13	0
Deferred taxes relating to deferred costs of hedging	79	1,411
Deferred costs of hedging, net of tax	-150	-3,198
Items that may be reclassified to profit or loss	**-111**	**-3,290**
Total comprehensive income	**1,267**	**1,760**
Attributable to		
Aves One AG shareholders	1,263	1,785
Non-controlling interests	4	-25
	1,267	**1,760**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EURk	Number of shares in circulation	Subscribed capital	Capital reserve	Retained earnings	Other reserves: Equity instruments	Other reserves: Currency translation	Other reserves: Hedging: Cash flow hedge reserve	Other reserves: Hedging: Deferred costs of hedging	**Equity attributable to Aves One AG shareholders**	Non-controlling interests	**Total equity**
as at 01/01/2019	**13,015,053**	**13,015**	**40,043**	**-20,758**	**103**	**1,188**	**0**	**-842**	**32,749**	**149**	**32,898**
Consolidated profit	0	0	0	5,075	0	0	0	0	5,075	-25	5,050
Other comprehensive income	0	0	0	0	0	-92	0	-3,198	-3,290	0	-3,290
Total comprehensive income	0	0	0	5,075	0	-92	0	-3,198	1,785	-25	1,760
Capital increases/decreases	0	0	0	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	33	0	0	0	33	0	33
as at 30/06/2019	**13,015,053**	**13,015**	**40,043**	**-15,683**	**136**	**1,096**	**0**	**-4,040**	**34,567**	**124**	**34,691**
as at 01/01/2020	**13,015,053**	**13,015**	**40,043**	**-8,776**	**168**	**832**	**-1,433**	**-2,324**	**41,525**	**119**	**41,644**
Consolidated profit	0	0	0	1,374	0	0	0	0	1,374	4	1,378
Other comprehensive income	0	0	0	0	0	39	0	-150	-111	0	-111
Total comprehensive income	0	0	0	1,374	0	39	0	-150	1,263	4	1,267
Capital increases/decreases	0	0	0	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	15	0	0	0	15	0	15
as at 30/06/2020	**13,015,053**	**13,015**	**40,043**	**-7,402**	**183**	**871**	**-1,433**	**-2,474**	**42,803**	**123**	**42,926**

CONSOLIDATED CASH FLOW STATEMENT

in EURk	30/06/2020	30/06/2019
Earnings before tax	**2,282**	**7,940**
Depreciation on intangible and tangible fixed assets as well as other financial assets	18,892	15,384
Changes in bad debt provisions for trade accounts receivable	19	9
Gains (-)/losses (+) from the sale/disposal of tangible fixed assets and investment property	1,632	398
Result from investments accounted for using the equity method, after tax	2	29
Interest income	-219	-74
Interest expenses	21,324	19,140
Exchange rate gains (-)/losses (+) (not cash-effective)	-557	-1,023
Other expenses/income not attributable to operating activities	597	0
Other non-cash expenses/income	-1,193	0
Operational cash flow before changes in working capital	**42,779**	**41,803**
Changes in working capital		
Increase (-)/Decrease of:		
Inventories	3,453	0
Trade accounts receivable not attributable to investing/financing activities	3,991	2,522
Other assets and prepayments	-2,418	3,666
Increase (-)/Decrease of:		
Trade accounts payable not attributable to investing/financing activities	-6,854	-1,439
Other liabilities and other accruals and provisions	3,886	-3,541
Operating cash flow	**44,837**	**43,011**
Income tax payments	-809	-6
Cash flow from ongoing business operations	**44,028**	**43,005**
Cash flow from investment activities		
Receipts from disposals of intangible fixed assets	0	0
Payments for investments in intangible fixed assets	0	-98
Receipts from disposals of tangible fixed assets	5,901	16,231
Payments for investments in tangible fixed assets	-60,274	-45,384
Changes in restricted cash	6,364	-2,618
Cash flow from investment activities	**-48,009**	**-31,869**

in EURk	30/06/2020	30.6.2019
Cash flow from financing activities		
Receipts from the issuing of bonds and (financial) loans	113,703	118,980
Amortization payments for bonds and (financial) loans	-99,077	-112,408
Amortization payments for lease liabilities	-273	0
Other expenses/income attributable to financing activities	-1,570	0
Interest paid	-17,616	-15,688
Cash flow from financing activities	**-4,833**	**-9,116**
Cash-effective changes in liquid funds	-8,814	2,021
Liquid funds as at 1 January	**30,887**	**17,148**
Exchange rate related changes in liquid funds	10	5
Liquid funds as at 30 June	**22,083**	**19,174**

SELECTED EXPLANATORY NOTES

5 GENERAL INFORMATION

The object of these condensed interim consolidated financial statements is the listed company Aves One AG, headquartered in Hamburg (HRB 124 894) and its subsidiaries (together hereinafter referred to as "Aves Group").

The shares of Aves One AG are traded in the Prime Standard (regulated market) of the Frankfurt Stock Exchange and in the General Standard (regulated market) of the Hamburg and Hanover Stock Exchanges.

The financial year of the company corresponds to the calendar year (1 January to 31 December).

5.1 BUSINESS SEGMENTS OF THE AVES GROUP

The Aves Group is a logistics group specialized in the inventory and management of logistics assets. The Aves Group invests in long-lived logistics assets with sustainable and stable cash flows. The focus of its business activities is on inventory management and the active management of logistics assets. As at 30 June 2020, the asset portfolio totaled approximately EUR 973 million. The rail division represents the most important business segment and will continue to be the focus of further growth in the future. Other key activities of the Group are the swap bodies and sea containers. The very good access to the equipment market as well as extensive knowledge of financing by the management and an excellent network of partners from both areas are the basis for the continuous development and expansion of business activities.

In the first half of the fiscal year, the Aves Group‘s involvement in the rail sector was further advanced by the acquisition of freight and tank wagons as well as in the field of swap bodies.

5.2 BASIS OF PREPARATION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The condensed interim consolidated financial statements of the Aves Group for the reporting period 1 January 2020 to 30 June 2020 have been prepared in accordance with the provisions of IAS 34 Interim Financial Reporting and the related interpretations (IFRIC) of the IFRS Interpretations Committee (IFRS IC) as adopted by the European Union (EU-IFRS). In accordance with the requirements for interim financial reporting, these condensed interim financial statements only contain selected explanatory notes and should therefore be read in conjunction with the published consolidated financial statements as at 31 December 2019.

The condensed interim consolidated financial statements of the Aves Group are prepared in Euro (EUR) and all amounts are rounded to the nearest thousand EUR (EURk) except where otherwise stated. Since the calculation of individual items is based on unabbreviated figures, rounding differences may occur when amounts are shown in thousands of EUR.

5.3 SUBSTANTIAL ACCOUNTING PRINCIPLES

In preparing the condensed interim consolidated financial statements, the same accounting principles were applied as in the consolidated financial statements as at 31 December 2019. A detailed description of these principles is published in the notes to the consolidated financial statements in the 2019 Annual Report.

The standards, interpretations or amendments listed in the following table, which are mandatory as of 1 January 2020, have no impact on the net assets, financial position and results of the Aves Group.

Standard/Interpretation		Published by the IASB	Application mandatory	Adopted by the EU
IAS 1 and IAS 8	Presentation of Financial Statements and Accounting Policies, Cjanges in Accounting Estimates and Errors: Definition of Material	31 October 2018	1 January 2020	Yes
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform	26 September 2019	1 January 2020	Yes

The Aves Group has not early adopted any standards, interpretations or amendments that have been published but are not yet mandatory.

5.4 DISCRETIONARY DECISIONS, ESTIMATIONS AND ASSUMPTIONS

These condensed interim consolidated financial statements as at 30 June 2020 include Aves One AG and its subsidiaries and were prepared in accordance with IFRS as adopted by the EU. The preparation of these consolidated financial statements requires management to make judgments, i.e., to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the closing date and the reported amounts of revenues and expenses during the reporting period. The interim consolidated financial statements should be read in conjunction with the consolidated financial statements as at 31 December 2019.

Due to the effects of the COVID-19 pandemic, for which there is a rebuttable presumption that a so-called "triggering event" is involved, the recoverability of goodwill and the sea container assets was reviewed as at 30 June 2020. As the Aves Group is expecting the pandemic to be a temporary event that will not have a sustained negative impact on the Group's long-term business development, the forecasted periods of the business plan 2020 throughout 2024 were adjusted to current expectations regarding overall market developments and derived estimates.

5.4.1 IMPAIRMENT OF INTANGIBLE ASSETS

An impairment test was performed on the goodwill of CH2 AG. The container segment was identified as the cash-generating unit (hereinafter referred to as "CGU") as part of the initial allocation, as CH2 AG operated almost exclusively for this segment in the financial year of initial allocation and this also represents the lowest level at which goodwill is monitored.

The recoverable amount of the CGU was determined on the basis of discounted cash flows less costs to sell. Due to unobservable input factors, the fair value derived in this way is assigned to level 3 of the fair value hierarchy.

The key assumptions used to determine the recoverable amount are shown in the following table. They reflect the Aves Group Management Board's assessment of future developments in the relevant industries based on experience from external and internal sources.

in percent	30/06/2020	31/12/2019
Discount rate	4.3%	4.1%
Sustainable growth rate	0.5%	0.5%
Planned EBITDA growth rate (average of the next 4 years; 31.12.2019 5 years)	6.3%	2.4%

As part of the impairment test, an average sales growth rate of 1.8% was assumed during the business plan periods 2020 to 2024. The resulting difference between the recoverable amount and the carrying amount of the CGU decreased by EURk 7,250 from EURk 24,860 as at 31 December 2019 to EURk 17,610 as at 30 June 2020.

The recoverable amount was subjected to certain sensitivity analyses with regards to the average sales growth rate and the discount rate. A reduction in the assumed average growth rate during the business plan periods 2020 to 2024 from 1.8% to around 0.9% would have resulted in a decrease of the recoverable amount to the carrying amount with otherwise unchanged assumptions. Even if the discount rate were to be increased from 4.3% to 4.6%, the carrying amount would still correspond to its recoverable amount under otherwise unchanged assumptions.

While the recoverable amount was estimated based on specific cash flows during the business plan periods 2020 to 2024, a perpetual growth rate was assumed for the subsequent years.

The sustainable growth rate was determined based on management's estimates of a long-term average annual EBITDA growth rate, which is consistent with the assumption that an independent market participant would make.

Planned EBITDA was estimated based on past experience and determined under the following premises:

- Rental income was planned in detail by operational management on the basis of container utilization and expected rental rates.
- Capital expenditure was assumed on the basis of operational investment planning.
- The financing costs reflect current market conditions.
- The USD development was assumed to be at a fixed exchange rate.
- Storage costs were assumed to be at a level comparable to 2019 and 2020.

5.4.2 IMPAIRMENT OF FIXED ASSETS

In addition, an impairment test was carried out on the sea container asset portfolio, which takes into account market developments resulting from the COVID-19 pandemic with regards to capacity utilization, rental price development and changes in the cost of capital.

No impairment loss were to be recognized on the sea container asset portfolio of the Aves Group as 30 June 2020.

5.5 DEFINITION OF EBITDA, EBIT, EBT

Within these condensed interim consolidated financial statements, financial indicators are used which are not generally defined in the relevant accounting standards. These financial indicators include the key figures EBITDA, EBIT and EBT.

EBITDA (earnings before interest, tax, amortization and depreciation) comprises all income and expenses for the period under review with the exception of amortization, depreciation and impairment of intangible and tangible assets, income and expenses reported under financial result and taxes on income and profit.

EBIT (earnings before interest and tax) comprises EBITDA as well as amortization, depreciation and impairment of intangible and tangible assets.

EBT (earnings before tax) comprises EBIT as well as income and expenses reported under financial result.

Compared to the annual report as at 31 December 2019, no key figures adjusted for holding recharges are considered within the segment reporting under section 2, as the Aves Group only recharges administrative services to subsidiaries once at the end of the fiscal period. EBT is adjusted for currency effects on financial receivables and liabilities only, as currency translation effects are not part of managing the Aves Group's segments.

5.6 SCOPE OF CONSOLIDATION

In addition to Aves One AG, Hamburg, including two companies accounted for using the equity method, a total of 69 (PY: 70) subsidiaries are included in the condensed interim consolidated financial statements as at 30 June 2020.

Compared to 31 December 2019, Aves Storage Verwaltungs GmbH, Hamburg, was excluded from the scope of consolidation by sale of investment.

5.7 CURRENCY TRANSLATION

The condensed interim consolidated financial statements as at 30 June 2020 are prepared in Euro, the reporting currency of Aves One AG. However, the subsidiaries committed to the management of sea containers are operating in an US Dollar driven environment and, thus, have a functional currency differing from the Group reporting currency.

The exchange rates used for currency translation purposes are as follows:

	Closing rate			**Average rate**	
1 EURO =	30/06/2020	31/12/2019	30/06/2019	30/06/2020	30/06/2019
US Dollar	1.11980	1.12340	1.13800	1.10145	1.12977

6 SEGMENT REPORTING

The segmentation follows the internal management and reporting within the Aves Group and remains unchanged to the Annual Report 2019. The subsidiaries and business units are allocated to the individual segments exclusively on the basis of economic criteria, irrespective of their legal shareholding structure.

In line with internal management, segment reporting consists of two reportable segments:

- rail
- container (sea container, swap bodies)

The rail segment includes the rental of railroad wagons, such as tank wagons (chemical, petroleum and compressed gas tank wagons), flat wagons (including steel transport wagons, container carrying wagons, double pocket wagons and timber transport wagons), open wagons, covered wagons and special wagons. The technical and commercial management is still carried out by the asset managers ERR Duisburg and Wascosa.

The container segment includes the leasing of sea containers, such as dry containers in the 20-foot, 40-foot and 40-foot high cube variants as well as reefer containers in the 40-foot variant. In addition, the leasing of swap bodies to logistics companies in the courier, express and parcel market is allocated to this segment. The technical and commercial management is carried out by various external service providers. Tank containers, that had been only of minor importance but allocated to this segment as well, were fully sold in the second half of 2019.

All administrative and overhead costs and central services are summarized in a reconciliation column to the Group under "Holding activities", irrespective of the company in which they were incurred under the corporate structure.

The Management Board of Aves One AG is responsible for managing segments based on sales and EBITDA. EBIT and EBT are also used as supporting indicators for value-based management. The financial indicators as used within the Aves Group are defined in Section 1.5.

Compared to the annual report as at 31 December 2019, no key figures adjusted for holding recharges are considered within the segment reporting under section 2, as the Aves Group only recharges administrative services to subsidiaries once at the end of the fiscal period. EBT is adjusted for currency effects on financial receivables and liabilities only, as currency translation effects are not part of managing the Aves Group’s segments.

The sales are currently all realized by Group companies located within the European Union. The revenues of the rail segment partially result from a participation in Austria, otherwise all revenues are realized by companies located in Germany. The container business is not segmented by country in relation to sea containers due to the global use of each individual container. Therefore, no management on a regional basis takes place.

Key Figures by Segment as at 30 June 2020

	Reporting segments			Reconciliation to the Group		
in EURk	Container	Rail	Total	Holding activities	Consolidation	Group
Sales						
External sales	18,254	41,163	59,417	5,717	-1,567	63,567
Intersegment sales	1	0	1	85	-86	0
Total sales	18,255	41,163	59,418	5,802	-1,653	63,567
Change in inventories of finished goods and work in progress	0	0	0	-3,063	0	-3,063
Cost of materials	-3,248	-8,504	-11,752	0	-17	-11,769
Personnel expenses	0	-233	-233	-2,187	0	-2,420
Result from investments accounted for using the equity method (net of tax)	0	0	0	-2	0	-2
Other operating income and expenses	-2,253	-66	-2,319	-1,976	143	-4,152
EBITDA excl. holding allocations	**12,754**	**32,360**	**45,114**	**-1,426**	**-1,527**	**42,161**
Amortization, depreciation and impairment of intangible and tangible assets	-6,569	-12,072	-18,641	-251	0	-18,892
EBIT excl. holding allocations	**6,185**	**20,288**	**26,473**	**-1,677**	**-1,527**	**23,269**
Interest result	-10,324	-11,134	-21,458	348	4	-21,106
Currency effects on financial receivables and financial liabilities	520	0	520	0	-18	502
Financing secondary costs	-597	0	-597	0	0	-597
Other financial result	0	255	255	-41	0	214
Financial result	**-10,401**	**-10,879**	**-21,280**	**307**	**-14**	**-20,987**
EBT excl. holding allocations	**-4,216**	**9,409**	**5,193**	**-1,370**	**-1,541**	**2,282**
EBT adjusted, excl. holding allocations	**-4,736**	**9,409**	**4,673**	**-1,370**	**-1,523**	**1,780**
Taxes on income and profit	-1,928	538	-1,390	486	0	-904
Earnings after tax	**-6,144**	**9,947**	**3,803**	**-884**	**-1,541**	**1,378**
Total assets	**282,060**	**761,571**	**1,043,631**	**147,362**	**-122,665**	**1,068,328**
Tangible fixed assets	**260,420**	**713,443**	**973,863**	**1,484**	**-320**	**975,027**
Total liabilities	**315,233**	**729,798**	**1,045,031**	**80,761**	**-100,390**	**1,025,402**

As part of the bond issues in the first half of 2020 both, CH2 Contorhaus Hansestadt Hamburg AG and CH2 Logistica Portfolioverwaltung GmbH & Co. KG (both allocated to the Holding segment) invoiced commission fees to Aves Schienenlogistik 1 GmbH & Co. KG (rail segment) amounting to EURk 1,567 in total (previous year: EURk 0).

In contrast to June 30, 2019, these intercompany expenses are defined in segment reporting as part of the transaction costs at the Rail segment level. The amount is recognized as an expense over the term of the bond using the effective interest method. At Group level the accrual of intragroup transaction costs is eliminated. The Management Board is convinced that the change will provide more reliable and relevant information at segment level.

Key Figures by Segment as at 30 June 2019

	Reporting segments			Reconciliation to the Group		
in EURk	Container	Rail	Total	Holding activities	Consolidation	Group
Sales						
External sales	18,089	35,755	53,844	1,713	0	55,557
Intersegment sales	0	0	0	536	-536	0
Sales (total)	18,089	35,755	53,844	2,249	-536	55,557
Change in inventories of finished goods and work in progress	0	0	0	0	0	0
Cost of material	-2,635	-6,761	-9,396	4	49	-9,343
Personnel expenses	-13	-242	-255	-2,083	0	-2,338
Result from investments accounted for using the equity method (net of tax)	0	0	0	-29	0	-29
Other operating income and expenses	318	-662	-344	-2,090	430	-2,004
EBITDA excl. holding allocations	**15,759**	**28,090**	**43,849**	**-1,945**	**-57**	**41,847**
Depreciation	-6,334	-8,916	-15,250	-134	0	-15,384
EBIT excl. holding allocations	**9,425**	**19,174**	**28,599**	**-2,079**	**-57**	**26,463**
Interest result	-10,209	-9,173	-19,382	317	0	-19,065
Currency effects on financial receivables and financial liabilities	1,144	0	1,144	0	23	1,167
Financing secondary costs	-623	0	-623	0	0	-623
Financial result	**-9,690**	**-9,173**	**-18,863**	**317**	**23**	**-18,523**
EBT excl. holding allocations	**-264**	**10,001**	**9,737**	**-1,763**	**-34**	**7,940**
EBT adjusted, excl. holding allocations	**-1,408**	**10,001**	**8,593**	**-1,763**	**-57**	**6,773**
Taxes on income and profit	-2,111	-1,506	-3,617	727	0	-2,890
Earnings after tax	**-2,375**	**8,495**	**6,120**	**-1,036**	**-34**	**5,050**
Total assets	**321,639**	**605,558**	**927,197**	**103,689**	**-96,206**	**934,680**
Fixed assets	**279,512**	**559,401**	**838,913**	**742**	**-320**	**839,335**
Total liabilities	**349,106**	**586,687**	**935,793**	**37,818**	**-73,623**	**899,988**

7 NOTES TO THE CONSOLIDATED INCOME STATEMENT

7.1 SALES

Compared to the same period of the previous year, revenues increased by EURk 8,010 from EURk 55,557 to EURk 63,567.

The increase is mainly due to the strong investment activity in the past fiscal year and the investments made in the current reporting period. In addition, the sale of the self-storage park generated revenues of EURk 3,394.

7.2 CHANGE IN INVENTORIES

The changes in inventories amount to EURk -3.063 and result entirely from the sale of the self-storage park previously reported under current assets.

7.3 COST OF MATERIAL

Compared to 30 June 2019 cost of materials increased by EURk 2,426 from EURk 9,343 to EURk 11,769.

The margin ((sales revenues less cost of materials)/sales revenues) of the operating divisions showed a slight decrease from 82.5% in previous year's period to 80.2% in the reporting period. The rail segment resulted in a decline in the margin to 79.3% (previous year: 81.1%), which is mainly due to a slight reduced utilization, but it continues to lie at a relatively high level. The margin in the container segment fell from 85.4% to 82.2%. The disproportionate rise in the cost of materials is mainly due to increased maintenance measures of EURk 815, to strengthen the swap body portfolio. In addition, a slightly lower utilization of capacity, influenced the reduction of the margin.

7.4 PERSONNEL EXPENSES

Personnel expenses increased slightly by EURk 82 from EURk 2,338 to EUR 2,420 compared to the prior year's period.

The average number of employees increased from 45 employees in the first half of 2019 to 46 employees in the first half of 2020. As at 30 June 2020 45 persons were employed in the Aves group (previous year 45 employees).

7.5 OTHER OPERATING EXPENSES

Other operating expenses increased by EURk 2,006 from EURk 3,158 to EURk 5,164 compared to the prior year's period.

The increase mainly results due to increased disposal expenses with an amount of EURk 1,828 in the Container segment (prior year: EURk 573). In addition, higher audit and IT costs of EURk 693 (prior year: EURk 304) contributed to the increase in other operating expenses.

7.6 DEPRECIATIONS AND IMPAIRMENTS

Depreciation of intangible assets, property, plant and equipment increased by EURk 3,508 from EURk 15,384 to EURk 18,892 compared to the corresponding period of the prior year.

The increase mainly results from the rail division and is in line with the investments in the existing portfolio and new investments made in the last twelve months.

Impairments that would have led to unscheduled write-downs were not identified.

7.7 FINANCIAL RESULT

The financial result increased by EURk -2,464 from EURk -18,523 to EURk -20,987 compared to the corresponding period of the prior year.

The increase is directly related to the increase in financial liabilities in connection with the investment activities of Aves One and its subsidiaries over the last twelve months.

In addition to the increased interest expenses, the foreign exchange gains from the valuation of financial receivables and liabilities are noticeably lower due to exchange rate fluctuations.

7.8 INCOME TAXES

Income taxes decreased by EURk 1,986 from EURk -2,890 to EURk -903 compared to previous year´s period.

Deferred taxes are mainly influenced by the increase and decrease in tax loss carryforwards on level of the individual companies on the one hand and by currency effects in conversion of Euro tax balance sheets into the functional currency US dollar (companies Container segment) on the other hand.

Given the fact, deferred taxes fluctuate mainly depending on the valuation of the US dollar (currency effects).

8 SELECTED NOTES TO THE CONSOLIDATED BALANCE SHEET

8.1 TANGIBLE FIXED ASSETS

Compared to 31 December 2019, tangible fixed assets increased by EURk 50,700 from EURk 924,327 to EURk 975.027.

This increase mainly relates to extensive investments in flat wagons, tank trucks and freight wagons within the rail division. As part of these investments, bank loans of EURk 13,296 and derivative liabilities from interest rate swaps of EURk 1,200 were accepted. Further information on these interest rate hedging instruments are given in Section 5.

No impairment losses on property, plant and equipment were identified as at 30 June 2020. Reference is also made to the comments in Section 1.4.

8.2 OTHER FINANCIAL ASSETS

Compared to 31 December 2019, other financial assets increased by EURk 638 from EURk 3,046 to EURk 3,684.

in EURk	**30/06/2020**	**31/12/2019**
Derivative assets for hedging interest rate risks (cash flow hedges)	2,075	2,305
Derivative assets not included in a hedging relationship	1,609	741
Total	**3,684**	**3,046**

As in the previous period, the derivative assets used to hedge interest rate risks are interest rate caps that hedge the Aves Group against rising interest rates on variable-interest bank loans. Due to persistently low market interest rates, the fair value of the interest rate caps further decreased by EURk 230 compared to 31 December 2019. The loss in fair value was predominantly recognized in other comprehensive income.

Derivative assets not included in a hedging relationship mainly include call options that the Aves Group has secured for itself as part of its bond issues. As a result of the corporate bonds issued in the first half of 2020, the value of the call options increased by EURk 666 at initial recognition. As at 30 June 2020, the fair value of the call options increased by EURk 202. The increase was directly recognized within the other financial result. For further information on the bonds issued in the first half of 2020, please refer to section 4.9.

8.3 INVENTORIES

Compared to 31 December 2019, inventories decreased by EURk 3,446 from EURk 3.765 to EURk 319.

The decrease mainly results from the sale of the self storage park.

8.4 TRADE ACCOUNTS RECEIVABLE

Compared to 31 December 2019, trade accounts receivable decreased by EURk 4,010 from EURk 22.465 to EURk 18.455.

The reduced receivables balance primarily results from the settlement of outstanding prior year accounts by the asset managers in the container and rail divisions.

The entire receivables portfolio is due within one year as of 30 June 2020.

Based on an internal risk and maturity analysis, there were no material changes in the value of individual and portfolio-based allowances in the first half of 2020 compared with 31 December 2019.

8.5 OTHER ASSETS AND ADVANCE PAYMENTS

Compared to 31 December 2019, other assets and advance payments decreased by EURk 3,946 from EURk 30.071 to EURk 26.125.

The decrease results with EURk 3,719 from the payment of the amounts to be deposited on escrow accounts in connection with the legal disputes with SLI Dritte Verwaltungsgesellschaft mbH & Co. KG, Salzburg and their offsetting against claims of Aves One AG. In addition, reserve accounts for maintenance and capital services, which were set up in connection with the financing of rail portfolios, decreased by EURk 3,229. In contrast to the rise described above, input tax receivables increased by EURk 3,588 to EURk 4,455 due to the investment activities of Aves.

8.6 LIQUID FUNDS

Compared to 31 December 2019, liquid funds decreased by EURk 8,804 from EURk 30,887 to EURk 22,083.

In addition, there are restricted funds in the amount of EURk 15,612 (PY: EURk 21,976) reported under other assets and advance payments.

The development of the Aves Group's liquid funds from 31 December 2019 to 30 June 2020 is shown in the consolidated cash flow statement.

8.7 DEFERRED TAX CLAIMS AND LIABILITIES

As at 30 June 2020, there are deferred tax claims of EURk 14,388 (PY: EURk 10,922) and deferred tax liabilities of EURk 9,090 (PY: EURk 7,310).

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

Deferred tax liabilities mainly relate to valuation differences from fixed assets, that are also partly impacted by currency translation effects as described above.

Deferred tax claims and liabilities are generally netted-off if they are levied by the same tax authority and if their maturities correspond.

Valuation allowances on deferred tax claims are applied if loss carryforwards are not expected to be usable within the next five years.

8.8 EQUITY

Compared to 31 December 2019, the Aves Group's equity increased by EURk 1,282 from EURk 41,644 to EURk 42,926, resulting in an equity ratio of 4.0% (PY: 4.0%).

The development of the single items within equity from 31 December 2019 to 30 June 2020 is shown in the consolidated statement of changes in equity and the consolidated statement of comprehensive income.

8.9 FINANCIAL LIABILITIES

Compared to 31 December 2019, financial liabilities increased by EURk 30,275 from EURk 972,400 to EURk 1,002,675.

	30/06/2020			31/12/2019		
in EURk	**Carrying amount**	thereof short-term	thereof long-term	**Carrying amount**	thereof short-term	thereof long-term
Bank loans	592,978	48,776	544,202	549,255	53,828	495,427
Institutional lenders	214,277	59,523	154,754	228,219	55,248	172,971
Direct investors	122,486	55,063	67,423	152,817	56,280	96,537
Corporate bonds	67,828	998	66,830	37,976	610	37,366
Leasing liabilities	3,906	535	3,371	4,133	528	3,605
Derivative liabilities for hedging interest rate risks (cash flow hedges)	1,165	0	1,165	0	0	0
Derivative liabilities not included in a hedging relationship	35	0	35	0	0	0
Total	**1,002,675**	**164,895**	**837,780**	**972,400**	**166,494**	**805,906**

The increase is mainly due to the additional corporate bonds issued by Aves One AG in the first half of 2020 as well as other financing operations relating to investments. Overall, the Aves Group was able to realize an issuance volume of EURk 29,547 in the first six months of the fiscal year (PY: EURk 38,820).

in EURk	30/06/2020			31/12/2019		
Interest rate; emission; maturity; fixed interest; volume	**Carrying amount**	Nominal amount	Fair value	**Carrying amount**	Nominal amount	Fair value
5.25%; 2019; 2024; fixed-interest bond; EURk 5.000[1]	4,947	5,000	5,000	4,930	5,000	5,005
5.25%; 2019; 2024; fixed-interest bond; EURk 2.999[1]	2,967	2,999	2,790	2,957	2,999	2,999
5.25%; 2019; 2024; fixed-interest bond; EURk 40.000[1]	39,173	40,000	39,360	30,089	30,821	29,299
5.00%; 2020; 2022; fixed-interest bond; EURk 4.000[1]	4,091	4,000	4,000	0	0	0
5.00%; 2020; 2023; fixed-interest bond; EURk 10.000[1]	9,657	9,390	9,390	0	0	0
3.25%; 2020; 2022; fixed-interest bond; EURk 5.000	1,718	1,746	1,746	0	0	0
4.25%; 2020; 2023; fixed-interest bond; EURk 4.000	1,753	1,770	1,770	0	0	0
5.25%; 2020; 2025; fixed-interest bond; EURk 30.000[1]	3,522	3,462	3,462	0	0	0
Total	**67,828**	**68,367**	**67,518**	**37,976**	**38,820**	**37,303**

[1] Listed

Like the corporate bonds issued in 2019, the terms and conditions of the new issues provide for early termination rights in favor of the Aves Group. The fair value of the call options at initial recognition amounts to EURk 667 (PY: EURk 741) increasing the bonds' carrying amount as at the issue date. Subsequently, the initially recognized options' fair value along with transaction costs of EURk 973 (PY: EURk 2,288), is amortized over the expected term using the effective interest rate method. The interest effect from unwinding the discount is considered within interest expenses.

As at 30 June 2020, transaction costs and call options lead to a deviation from the nominal value in the amount of EURk 1,537 (PY: EURk 1,454). In addition, accrued interests in the amount of EURk 998 (PY: EURk 610) is included in the carrying amount of corporate bonds as at 30 June 2020.

As part of an acquisition of 100 double pocket cars as at 30 June 2020, the Aves Group assumed bank loans in the amount of EURk 13,296. As these bank loans are subject to variable interest rates, the existing interest rate swaps were also transferred to the Aves Group in the course of the acquisition.

The interest rate swaps, whose fair values amounts to EURk 1,200 as at 30 June 2020, can be brought into a hedging relationship with the underlying transactions at a total rate of 97.1%. Thus, cash flow hedges of EURk 1,165 and derivative liabilities not included in a hedging relationship of EURk 35 were recognized as at 30 June 2020, in accordance with the requirements of IFRS 9 on hedge accounting.

9 ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS

The principles and methods for classifying and measuring financial instruments remain unchanged from the previous financial period year. Detailed explanations on the classification and the valuation principles and methods can be found in the notes to the consolidated financial statements for 2019.

The fair value generally corresponds to the market or stock price value. If no active market exists, the fair value is determined using generally accepted financial methods, for example the discounted cash flow method or option pricing models. However, fair value is determined using uniform valuation methods and parameters.

Financial assets and liabilities measured at fair value through profit and loss include derivative financial instruments that could not be brought into a hedging relationship. As in the previous financial period, the derivative assets relate to call options in connection with bond issues and to interest rate caps that could not be brought into a hedging relationship with the underlying transaction. The derivative liabilities not included in a hedging relationship represent interest rate swaps that were assumed as part of an asset deal as at 30 June 2020 to hedge floating-rate bank loans. Changes in fair value are directly recognized in profit and loss.

As in the previous financial period, financial assets measured at fair value through other comprehensive income (OCI) exclusively represent interest rate caps that could be designated as cash flow hedges in accordance with the requirements of IFRS 9. The financial liabilities measured at fair value through OCI represent the portion of the interest rate swaps assumed as part of an asset deal as at 30 June 2020, which could be designated as a cash flow hedge in accordance with IFRS 9. Changes in fair value are directly recognized in OCI, net of deferred taxes, without affecting profit and loss.

The following tables show the reconciliation of the single balance sheet items to the classes of financial instruments, broken down by carrying amounts and fair values of the financial instruments.

			Value stated according to IFRS 9			
in EURk	Category according to IFRS 9	**Carrying amount as at 30/06/2020**	At amortized cost	Fair value through profit and loss	Fair value through OCI	Value stated according to IFRS 16
Derivative assets without hedge relationship	FVTPL	**1,609**	0	1,609	0	0
Derivative assets with hedge relationship	n/a	**2,075**	0	0	2,075	0
Trade accounts receivable	AC	**18,455**	18,405	0	0	0
Financial receivables	AC	**493**	493	0	0	0
Other receivables and other financial assets	AC	**26,125**	26,125	0	0	0
Cash and cash equivalents	AC	**22,083**	22,083	0	0	0
Long-term financial liabilities excluding lease liabilities	AC	**833,209**	833,209	0	0	0
Long-term lease liabilities	n/a	**3,371**	0	0	0	3,371
Derivative liabilities without hedge relationship	FVTPL	**35**	0	35	0	0
Derivative liabilities with hedge relationship	n/a	**1,165**	0	0	1165	0
Trade accounts payable	AC	**6,269**	6,269	0	0	0
Short-term financial liabilities excluding lease liabilities	AC	**164,360**	164,360	0	0	0
Short-term lease liabilities	n/a	**535**	0	0	0	535
Other liabilities	AC	**5,036**	5,036	0	0	0

in EURk	Category according to IFRS 9	Carrying amount as at 31/12/2019	Value stated according to IFRS 9				
			At amortized cost	Fair value through profit and loss	Fair value through OCI	Value stated according to IFRS 16
Derivative assets without hedge relationship	FVTPL	**741**	0	741	0	0
Derivative assets with hedge relationship	n/a	**2,305**	0	0	2,305	0
Trade accounts receivable	AC	**22,465**	22,465	0	0	0
Financial receivables	AC	**424**	424	0	0	0
Other receivables and other financial assets	AC	**30,071**	30,071	0	0	0
Cash and cash equivalents	AC	**30,887**	30,887	0	0	0
Long-term financial liabilities excluding lease liabilities	AC	**802,301**	802,301	0	0	0
Long-term lease liabilities	n/a	**3,605**	0	0	0	3,605
Trade accounts payable	AC	**7,854**	7,854	0	0	0
Short-term financial liabilities excluding lease liabilities	AC	**165,966**	165,966	0	0	0
Short-term lease liabilities	n/a	**528**	0	0	0	528
Other liabilities	AC	**4,476**	4,476	0	0	0

The following tables show the allocation of financial assets and liabilities to the three levels of the fair value hierarchy.

Besides the derivative assets and liabilities included or not included in a hedging relationship but measured at fair value, the Aves Group holds numerous financial assets and liabilities which are measured at amortized cost. For the majority of these instruments, the fair value does not materially differ from the carrying amount, as the interest receivables and liabilities either almost correspond to current market rates or the instruments have current terms. Material differences as at 30 June 2020 were only identified for financial liabilities of long-term nature.

in EURk	Level 1: Quoted prices in active markets	Level 2: Observable market data	Level 3: Unobservable market data	Fair value 30/06/2020
Derivative assets without hedge relationship	0	1,609	0	1,609
Derivative assets with hedge relationship	0	2,075	0	2,075
Financial assets at fair value	**0**	**3,684**	**0**	**3,684**
Derivative liabilities without hedge relationship	0	35	0	35
Derivative liabilities with hedge relationship	0	1,165	0	1,165
Financial liabilities at fair value	**0**	**1,200**	**0**	**1,200**
Bank loans	0	555,997	0	555,997
Institutional lenders	0	227,454	0	227,454
Direct investors	0	130,851	0	130,851
Corporate Bonds	67,518	0	0	67,518
Financial liabilities at amortized cost	**67,518**	**914,302**	**0**	**981,820**

in EURk	Level 1: Quoted prices in active markets	Level 2: Observable market data	Level 3: Unobservable market data	**Fair value 31/12/2019**
Derivative assets without hedge relationship	0	741	0	741
Derivative assets with hedge relationship	0	2,305	0	2,305
Financial assets at fair value	**0**	**3,046**	**0**	**3,046**
Bank loans	0	501,125	0	501,125
Institutional lenders	0	238,988	0	238,988
Direct investors	0	155,275	0	155,275
Corporate Bonds	37,303	0	0	37,303
Financial liabilities at amortized cost	**37,303**	**895,388**	**0**	**932,691**

The allocation of fair values to the three levels of the fair value hierarchy is based on the availability of observable market prices. Level 1 shows fair values of financial instruments for which a price can be determined directly in an active market. Fair values in level 2, for example for derivatives, are determined on the basis of market data in accordance with market-based valuation techniques. In particular, yield curves are used which are observable on the relevant markets and are obtained from price service agents. Fair values in Level 3 are calculated using valuation techniques that include factors that are not directly observable on the active market.

As at 30 June 2020, there was no transfer between the levels of the fair value hierarchy.

9.1 ADDITIONAL INFORMATION ON THE CONSOLIDATED CASH FLOW STATEMENT

The consolidated cash flow statement shows the origin of the cash inflows and outflows within the Aves Group.

Liquid funds in the consolidated cash flow statement consist of bank balances, cash on hand and short-term deposits with a remaining term of no more than three months and correspond to the item liquid funds as reported in the consolidated balance sheet.

Restricted cash is reported under other assets and advance payments and amounts to EURk 15,612 as at 30 June 2020 (PY: EURk 21,976).

EUR 58.4 million of the cash outflows for investments relate to the rail segment and EUR 1.7 million to the swap bodies area.

9.2 SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

General Meeting

At the Annual General Meeting dated 23 July 2020, Aves One AG was authorized to acquire own shares in the amount of up to 10.0% of the Company's share capital.

Extension of the swap bodies portfolio

In August 2020, the Aves Group acquired 500 brand new swap bodies with a volume of around EUR 4.6 million. The delivery of the long-term leased assets is scheduled to take place by the end of 2020.

10 RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the Condensed Interim Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position, and profit and loss of the Group, and the Group Interim Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial period.

Hamburg, 21 September 2020

The Management Board

Tobias Aulich Jürgen Bauer Sven Meißner

11 REVIEW REPORT

To Aves One AG, Hamburg

We have reviewed the condensed consolidated interim financial statements - comprising statement of financial position, income statement and statement of comprehensive income, statement of cash flows, statement of changes in equity and selected explanatory notes - and the interim group management report of Aves One AG, Hamburg, for the period from 1. January to 30. June 2020 which are part of the half-year financial report pursuant to § (Article) 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Hamburg, 21 September 2020

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Christoph Fehling
Wirtschaftsprüfer

ppa. Martin Kleinfeldt
Wirtschaftsprüfer