Quarterly Report Q1 / 2020
Aves One AG

ISIN: DE000A168114

- **QUARTERLY REVENUE INCREASE TO EUR 33.7MILLION (PY EUR 27.2MILLION)**
- **EBITDA GROWS TO EUR 21.7MILLION (PY EUR 20.6MILLION)**
- **EBT (ADJUSTED) IS EUR 1.8MILLION (PY EUR 3.4MILLION)**

BUSINESS TREND IN THE FIRST THREE MONTHS OF THE 2020 BUSINESS YEAR

The Aves One Group (hereinafter: "Aves Group", „Aves“ or „Company“), a strongly growing portfolio holder in the logistics assets segment, countinued the positive trend of recent years. The revenues in the first three months of the current business year (hereinafter: „reporting period“) increased to EURk 33,728 (January to March 2020 (hereinafter „previous year“) EURk 27,192). Adjusted for the proceeds from the sale of the remaining real estate, revenues of EURk 30,334 were generated in the reporting period. EBITDA increased to EURk 21,720 (previous year: EURk 20,646) in comparison with the same period of the previous year, but the increase was weaker, on a proportional basis, since the disposal of assets in the Container segment in particular reduced EBITDA by EURk 1,148. As a result of theses asset disposals, EBIT fell slightly by EURk 491 to EURk 12,684 and consequently EBT fell accordingly. Adjusted for the exchange rate effects disclosed in the financial result, an EBT amounted to EURk 1,778 (previous year: EURk 3,378).

In the reporting period, Aves One Group made investments in fixed assets amounting to EUR 26.0 million. EUR 24.7 million of this amount relates to the freight and tank car area and EUR 1.1 million to the swap body area.

ACCOUNTING PRINCIPLES AND VALUATION METHODS

The standards and interpretations applicable in the EU since 1 January 2020 were applied in the preparation of the interim consolidated financial statements. The accounting policies applied correspond to those used in the audited and published IFRS consolidated financial statements for the 2019 financial year. The interim report as of 31 March 2020 does not contain a complete interim financial statements pursuant to IAS 34 and should therefore be read in conjunction with the consolidated financial statements as of 31 December 2019. With regard to the possible effects of standards and interpretations that have already been adopted but whose application will only become mandatory in the future, we refer to the comments in the notes to the consolidated financial statements as of December 31, 2019.

CHANGES IN THE SCOPE OF CONSOLIDATION

Compared to December 31, 2019, there were no additions to the scope of consolidation of the Aves Group. The self-storage park in Münster was sold by contract dated January 24, 2020, as a result of which Aves no longer holds any real estate assets. The investment in Aves Storage Verwaltungs GmbH, Hamburg, was also transferred at the same time. The company has thus been eliminated from the consolidated group.

FINANCIAL POSITION, NET ASSETS AND RESULTS OF OPERATION

RESULTS OF OPERATIONS

In the first three months of this year, the Aves Group generated revenues of EURk 33,728 (previous year: EURk 27,192) compared to the same period of the previous year. The significant increase in revenus in the Rail segment is in line with the increase of the asset portfolio over the last twelve month. The Container segment contains revenues from the see container and swap body area. EURk 3,394 of the Holding revenues in the reporting period mainly relate to the sale of the self-storage park, which was previously disclosed under current assets. This is contrasted by changes in inventories of EURk 3,063 resulting from the sale of the real estate. Taking incidental transaction costs into account, the sale had no effects on earnings. Adjusted for the effects of the sale of the self-storage park, revenues rose 11.6 % compared with the prior year.

revenues in EURk	**3M 2020**	**3M 2019**
Rail	20,727	17,501
Container	9,203	8,756
Holding	5,413	1,151
Consolidation	-1,615	-216
total	**33,728**	**27,192**

The margin ((revenues less cost of material/revenues) of the Rail segment fell slightly from 80.5 % to 79.5 %. The margin for the Container segment decreased from 85.4 % to 83.1 %. The disproportionate increase in the cost of materials in the Container segment was primarily due to increased maintenance measures, which were carried out to strengthen the swap body portfolio, and amounted to EURk 457.
The cost of material of the Aves Group is composed as follows for the segments:

cost of material in EURk	**3M 2020**	**3M 2019**
Rail	4,246	3,402
Container	1,553	1,283
Holding	0	0
Consolidation	58	-31
total	**5,857**	**4,654**

Personnel expenses of EURk 1,289 are almost at the same level as in the previous year. The increase in other income of EURk is primarily due to increased income from derecognition of liabilites. Other expenses of EURk 2,910 include the above-mentioned losses of EURk 1,148 from the disposal of assets in the Container segment.
The EBITDA of the Aves Group increased by 5.2 % from EURk 20,646 to EURk 21,720.

EBITDA in EURk	**3M 2020**	**3M 2019**
Rail	15,068	13,425
Container	6,425	7,506
Holding	200	-301
Consolidation	27	16
total	**21,720**	**20,646**

The Rail segment, as the core segment, made a positive contribution with an increase in EBITDA by EURk 1,643 to EURk 15,068, whereas the Container segment had a negative impact on EBITDA with a decline by EURk 1,081 to EURk 6,425.

A major effect affecting EBITDA and earnings in the reporting period was the losses from the disposal of fixed assets in the Container segment. This is related to to management's decision to dispose of less profitable assets. In the current financial year, the management will continue to focus strongly on profitability by constantly reviewing the economic development of the assets and consequently selling comparatively lessprofitable assets.

Selected key financial figures in EURk	**3M 2020**	**3M 2019**
Revenue	33.728	27.192
Changes in inventories[1]	-3.063	0
Cost of material	-5.857	-4.654
Personnel cost	-1.289	-1.160
Other income	1.001	410
Other costs	-2.800	-1.142
EBITDA	**21.720**	**20.646**
Depreciations	-9.036	-7.471
EBIT	**12.684**	**13.175**
Financial result	-6.746	-6.507
thereof interest income *thereof exchange rate effects* *thereof other*	-10.585 4.160 -321	-9.443 3.290 -354
EBT	**5.938**	**6.668**
EBT adjusted[2]	**1.778**	**3.378**
Taxes on income and revenue	-2.074	-5
thereof current income tax	-477	-62
thereof deferred taxes	-1.597	57
Consolidated net income for the period	**3.864**	**6.663**

[1] Relates entirely to the sale of the self storage park

[2] EBT adjusted for currency rate effects in financial result

Currency rate effects:
The global container market is transacted in USD so that all companies of the Aves Group operating in this market report in USD as their functional currency. The mainly non-cash exchange rate effects included in the financial result represent income and expenses from the balance sheet date valuation of EUR liabilities and receivables in the Container Division at the reporting date, which resulted from the change in the EUR/USD exchange rate from EUR/USD 1.1234 on 31 December 2019 to EUR/USD 1.0956 on 31 March 2020.

Overall, the Aves Group achieved an EBT of EURk 1,778 (previous year: EURk 3,378) in the reporting period, adjusted for the exchange rate effects included in the financial result.

After taxes, the consolidated net income for the year amounts to EURk 3,864 (previous year: EURk 6,663).

FINANCIAL POSITION

Cash flow from operating activities in the reporting period amounted to EURk 22,048 compared to EURk 26,757 in the same period of the previous year from 1 January 2019 to 31 March 2019 (previous year). However, the cash flow for the comparable period includes an one-off effect of EURk 4,311 in connection with the payment of an asset manager, which became cash-effective in the first quarter due to a delay of payment in the course of a rail acquisition. In the first three month of 2020, further investments of EURk 23,918 (previous year: EURk 23,224) have been made in the expansion of the asset portfolio. The resulting ***cash flow from investing activities*** in the reporting period amounted to EURk -15,59 (previous year: EURk -20,545). The ***cash flow from financing activities*** amounted to EURk -14,973 (previous year: EURk -9,136). This is the results of repayments of inancila liabilities and interest payments that exceeded the raising and refinancing of financial liabilities.

NET ASSETS

The assets side of the consolidated balance sheet as at 31 March 20120 was characterised by fixed assets amounting to EURk 943,399 (31.12.2019: EURk 924,327). The increase is mainly due to the investments made in the Rail segment and in swap bodies. The asset volume is mainly composed of rail assets of EURk 670,742, sea container at EURk 223,081 and swap bodies at EURk 47,400.

Current assets contain other assets amounting to EURk 25,356 (31.12.2019: EURk 30,071). Other assets include EURk 16,834 in restricted cash (reserve accounts for future maintenance measures and debt services), mainly set up in connection with financing of rail portfolios. Current assets also include trade receivables of EURk 22,749 (31.12.2019: EURk 22,465) and cash and cash equivalents of EURk 22,031 (31.12.2019: EURk 30,887).

On the liabilities side, equity in the consolidated balance sheet increased from EURk 41,644 as of December 31, 2019 to EURk 44,992. Non-current liabilities decreased from EURk 813,216 as of December 31, 2018 to EURk 769,619 as of March 31, 2020. Current liabilities increased in the opposite direction from EURk 181,346 to EURk 225,991.

POST BALANCE SHEET DATE EVENTS

There were no significant events after the balance sheet date.

REPORT ON OPPORTUNITIES AND RISKS

The main opportunities and risks to which the Aves Group is exposed were described in detail in the group management report for the 2019 financial year. No significant changes in this respect were identified in the reporting period.
Against the background of the uncertainties of the overall economic development in connection with the COVID-19 pandemic and the structural changes in the global value chains that may be associated with it, the Management Board continuously monitors and analyses the situation and trends as well as the question of what implications this may have on the return prospects and valuations of the various and individual assets.

It is also still not fully foreseeable at this stage to what extent the conditions on the capital market may change for the Aves Group as a result of the COVID-19 pandemic. This concerns above all the question of the short or medium-term possibility of providing financing through this and at what conditions.

FORECAST REPORT 2020

The business model of the Aves Group is based on solid foundations, according to the Management Board. In 2020, the company intends to continue to invest in the swap body business in addition to its profitable core rail business. In the course of focusing on the most promising business areas, the Executive Board made the strategic decision not to invest further in sea containers. The investments made in the first three months of 2020, especially in the Rail segment, show that the pace of growth has been maintained at a high level and the Rail portfolio further strengthened. The rail portfolio is also to be further expanded in the course of the year. With regard to new investments, the Company has a well-filled pipeline, but it is not possible at this time to estimate the extent to which the COVID-19 pandemic will have an impact on supply chains and thus cause delays in deliveries. In the Rail segment, especially in view of the effects of the COVID-19 pandemic, the Management Board anticipates a slightly reduced capacity utilization, although it will still remain at a high level. It is unlikely that it will be possible to achieve improvements in rental rates, as is still usual in 2019. Utilization rates and rental price trends in the container segment are currently uneven. In some regions they are stable, in others declining. In the coming weeks, the Management Board will monitor the development and effects of the general economic conditions. This is done primarily by focusing on the profitability of our investments and portfolio. As an active portfolio holder, the Aves Group will take any necessary measures to maintain the sustainable profitability of the asset portfolio.

For the current business year 2020, the Management Board continues to assume that it will be possible to achieve a revenue volume and EBITDA at the level of the strong fiscal year 2019 and forecasts a revenue volume of more than EUR 117 million and an EBITDA of more than EUR 84 million.

Financing costs will continue to rise in absolute terms due to the planned asset growth. However, the Management Board will continue to focus on the development of relative financing costs as a result of the refinancing measures and optimization of the financing mix. Due to the COVID-19 pandemic, it cannot be ruled out that in individual cases refinancing may only be possible at higher conditions than those previously applicable.

As in the previous year, the Management Board notes that due to the fact that the Container segment and all related operations are settled in USD, although some of the financing is still demoniated in EUR, the consolidated financial statements can be strongly influenced by currency effects. In addition to matching maturities in financing, the Management Board is also working on matching currencies as closely as possible. This means that the aim is to conclude expiring financing for containers in USD wherever possible.

Hamburg, 2 June 2020

The Management Board

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This report contains forward-looking statements and forecasts based on assumptions and estimates made by the management of Aves One AG. While we believe that the expectations contained in these forward-looking statements are realistic, we cannot guarantee that they will be realized. The assumptions may involve risks and uncertainties. These may lead to actual results that differ from the forecast results. Factors that could cause such deviations include, among others, changes in the economic and business environment or changes in corporate strategy.