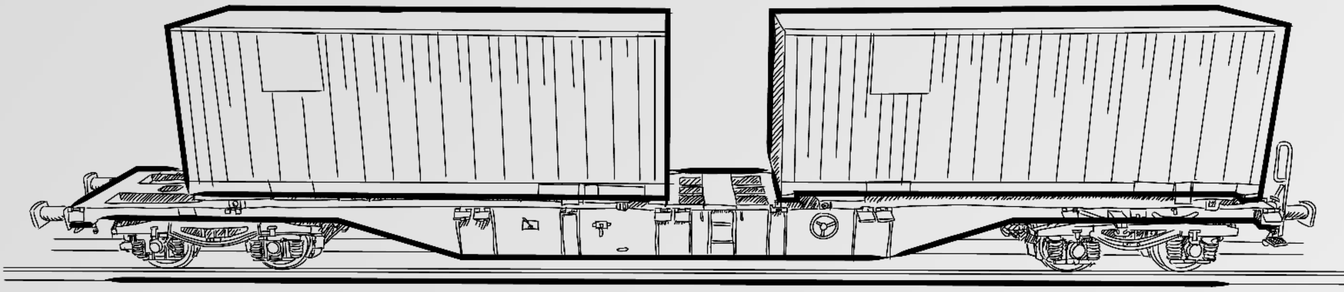
AVESone



INTERIM REPORT 2021

AVES ONE AG

ON COURSE FOR FURTHER GROWTH

CONTENT

GROUP INTERIM MANAGEMENT REPORT

1 FUNDAMENTALS OF THE GROUP

The Aves One Group (subsequently referred to as "Aves Group", "Aves One AG" also individually as "Aves" or "Company") is an asset owner of durable logistic assets focussing on freight wagons. Swap bodies complement the portfolio of the Aves Group. Aves One AG is an established participant in the European rail freight market. As the portfolio holder and owner of the logistics assets, Aves takes over the direction and control of the asset managers, the weighting of the business areas and the portfolio management. The Company plans to further sustainably increase its asset volume by the end of the current financial year 2021. The strategy is geared towards the continuous optimisation and expansion of the rail portfolio.

By way of a contract dated 18 March 2021, virtually the entire sea container portfolio was sold to the investment company OHA KY Investment 1, L.P., George Town, Cayman Islands (subsequently referred to as "OHA"). As of 30 June 2021, the Group's balance sheet shows sea containers of EUR 3.8 million and the related direct financial debt, which was taken up to finance the sea containers. The transfer of the remaining sea containers and the repayment of the financial debt, and hence the closure of this segment, will be fully completed at the beginning of the fourth quarter.

The Company itself has no significant operating activities, but, as a holding company, performs administrative functions for its subsidiaries. Aves One AG, with its registered office in Hamburg, is listed on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange (ISIN: DE000A168114; WKN: A16811).

2 ECONOMIC REPORT

2.1 MACROECONOMIC SITUATION

During the first half year, the effects of the COVID-19 pandemic continued to be felt. However, the global economy proved to be comparatively robust. The effects of the pandemic and the containment measures were mainly confined to the service sector, while industrial production and world trade were able to expand significantly. However, this upturn was weakened by pandemic-related developments, temporary imbalances between supply and demand, logistical problems and resulting price increases for raw materials, intermediate goods and transport services.

The economy has developed differently in the various national economies or they have diverged further. This is due, among other things, to access to vaccines and to the progress of vaccination, which has led to a normalisation of economic activity in almost all advanced economies, and to the expansionary monetary policy and the effect of government support programmes, especially in the United States and the euro area.

In its July 2021 forecast, the International Monetary Fund (IMF) expects the world economy to grow by 6.0 % in 2021. The growth expectations are thus unchanged from the April 2021 forecast, but include opposing trends. According to the IMF experts, the outlook for emerging and developing countries was revised downwards by 0.4 %. By contrast, the IMF raised its expectations for developed economies by 0.5 %.

According to Eurostat, the statistics agency, in the second quarter of 2021 gross domestic product in the Eurozone increased by 2.0 % compared to the previous quarter. In the EU, it increased by 1.9 % compared to the first quarter. Significant increases in economic output were observed in particular for Spain, Portugal and Italy.

According to the Federal Statistical Office, economic output in Germany increased by 1.5 % in the second quarter compared to the previous quarter. This means that the gross domestic product was able to recover noticeably after a renewed decline at the beginning of the year caused by the Corona pandemic. Adjusted for price and calendar effects, economic output in Germany was 9.2 % higher than in the second quarter of 2020, which was particularly affected by the first lockdown.

In contrast, the economic recovery began in May 2020 after the first easing of contact restrictions. The strongest ever increase in the ifo Business Climate Index from 79.2 points in May to 86.2 points in June of the current financial year shows the positive expectations and mood upturn in the German economy.

In China, growth of 12.7 % was recorded in the first half of the year compared to the same period of the previous year, which is based in particular on an increase in industrial production and strong growth in the service sector. Economic output in the USA grew by 1.5 % in the second quarter of 2021 compared to the previous quarter. Compared to the second quarter of the previous year, economic output grew by 12.2 %, in particular due to high consumer spending.

INDUSTRY SECTOR SITUATION

The development of the industry sectors of the Aves Group's business segments is discussed below.

RAIL

The European Commission's target is that by 2030, 30 % of road freight in excess of 300 km be transferred to other modes of transport, such as rail or waterway, and 50 % by 2050. This is to be accompanied by the realisation of climate protection targets, such as the reduction of CO^2 emissions, and thus the exploitation and expansion of the environmental advantages of rail as a mode of transport compared to road transport. With the Green Deal introduced by the EU in 2019, the original climate targets have been expanded once again. In view of this, in its "Rail Freight Master Plan", the Federal Government has decided to permanently strengthen and expand rail freight transport and at the same time to achieve the climate protection goals in the transport sector. In addition, it has set the ambitious goal of doubling rail transport by 2030 and thus significantly expanding rail freight transport in Germany.

According to the performance and financing agreement signed by the Federal Government and the railways 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 per year will flow into the maintenance and modernisation of the rail network. Important investments in rail freight infrastructure are also planned in France, Austria, Poland and Switzerland, among others. This shows the importance of rail freight transport in Germany and Europe. The year 2021 has also been designated by the EU Commission as the "European Year of Rail" in order to increase the share of rail in total freight transport and to meet the goals of the Green Deal.

In the USA, leasing companies dominate approximately 65 % of the freight wagon market. According to SCI Verkehr GmbH, Cologne (hereinafter "SCI"), leasing companies’ share of the market in Europe will increase from 36 % in 2018 to 45 % by 2025, thus increasing their freight wagon fleet by 2.2 - 2.5 % annually. Replacement investments are and will continue to be the market drivers in the freight wagon sector, as high replacement investments will be required over the next few years due to the high average age of the wagon fleet in Europe. According to information from operators and manufacturers, fewer wagons are still being produced than replacement investments are needed, so that the average fleet age continues to increase. With regard to replacement investments, however, it is not a question of more modern freight wagons, but also of those that can transport larger volumes and overall enable more efficient transport. Thus, although the total fleet of freight wagons is slightly decreasing in number over time, the tonne-kilometres transported are nevertheless continuously increasing. The market for the production of new freight wagons in Europe is relatively small compared to the fleet size and does not meet market needs in years of high demand. At the same time, old wagons are being scrapped.

The long-term trend clearly shows an increase in the total volume of freight traffic and benefits from general growth trends. The market share of rail freight transport in Europe’s total transport output is currently around 18 %. As in previous years, it was observed that the average transport distance by rail continues to increase. This is a sign of the increase in the efficiency of rail transport.

The Management Board expects that in the future there will be a stronger shift towards wagon leasing by the large rail transport companies. There is an observable trend that, as a consequence of the deregulated rail market, rail transport companies are increasingly being forced into concluding shorter-term transport contracts with their end customers and that they therefore 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, industrial customers and shipping agents.

Aves is confident that rail will play a significant role in future European freight traffic. Growth impetus is also expected from the reduction in rail track access charges for rail freight transport. The Management Board is convinced that the investment backlog linked to the traditional rail transport companies' urgent need to renew their freight wagon fleet and the new European requirements relating to freight wagon safety and maintenance will lead to a significant 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 EU and regional level will have a long-term positive effect on the overall conditions for rail freight and will also make rail more competitive compared to road freight.

CONTAINERS

In the swap body sector, logistics companies from the so-called courier, express and parcel market (CEP market) are among the main lessees. One of the main growth drivers continues to be the increasing online trade in the B2C segment (business-to-consumer), but an increase in international shipments was also observed, which will continue and increase in the future. In 2020, a new record was achieved in the CEP market with 4.1 billion shipments. In addition, for the first time in the last twenty years, shipments experienced a double-digit growth rate of 10.9 %. According to estimates by the Bundesverband Paket- und Expresslogistik e.V. (German Parcel and Express Logistics Association), an additional 0.3 billion shipments are expected in 2021. By 2025, a further growth in the shipment volume by a total of 7 % per year to 5.7 billion items is expected. The significance of international CEP shipments will continue to increase and will continue in the medium term. Furthermore, for accounting reasons, logistics companies continue to concentrate on their core business or have no choice or interest in acquiring these mobile assets.

Global trade volume, which is important for container transport demand, fell by 8.5 % in 2020, mainly in view of the COVID-19 pandemic. A double-digit slump in container transport services in the second quarter of 2020 was mitigated by catch-up effects in the summer months and even more significantly from the third quarter onwards. According to Harrison Consulting, the strong demand for containers in the second half of the year was due, among other things, to retailers, particularly in the USA, having to replenish their inventories. In addition, there was a surge in demand as consumers in developed countries shifted their spending from services to goods.

The continued strong demand in the first half of 2021 is also reflected in the low share of idle vessels of 0.2 million TEU (previous year 2.3 million TEU) at the end of June. In addition, almost three times more orders for the construction of container ships were placed in the first half of the current financial year than in the whole of 2020. The tonnage of these container ships on order rose to around 4.0 million TEU at the end of the first half of 2021, compared with 2.2 million TEU in the same period of the previous year. At 16.7 %, the order backlog in relation to the current global container fleet capacity at the end of June 2021 was thus at its highest level since 2016 and above the average of the last 5 years of approx. 11.9 %.

Due to the sale of the sea container business (see section 1.), the macroeconomic conditions that play a role in the sea container business are now only of marginal importance to the Aves Group.

2.2 BUSINESS PERFORMANCE

In the reporting year, even under the overall conditions which continued to be caused by the COVID-19 pandemic, the focus remained primarily on continuing the growth trajectory, especially in the Rail division, increasing sales and the operating result (EBITDA), further optimising the financing structure and ensuring sufficient liquidity at all times. Alongside investments in logistics assets, on the one hand there was a slight reduction in capacity utilisation in the core Rail segment compared to the same period in the prior year, which was hardly affected by the impacts of Corona. However, the capacity utilisation is still at a stable high level. On the other hand, however, an increase in average rental rates was achieved compared to the prior year. The capacity utilisation in the swap body segment increased slightly, whereas a slight decline occurred in the average rental rates.

The assets of the Aves Group held in its own portfolio had a total volume of approximately EUR 794 million as of the balance sheet date of 30 June 2021. The following significant transactions took place in 2021:

RESOLUTION OF THE COMPANY'S GOVERNING BODIES

At the Supervisory Board meeting on 16 March 2021, the Supervisory Board gave its consent to the resignation of Mr. Jürgen Bauer as of 31 March 2021.

On 10 May 2021, the Supervisory Board of Aves One AG extended the term of office, as members of the Management Board, of Mr. Sven Meißner until 31 January 2024 and of Mr. Tobias Aulich until 31 January 2025.

ECONOMIC TRANSACTIONS

In the course of the first quarter, the Aves Group further optimised its financing structure. To finance the further growth of Aves, a financing facility of EUR 75 million was agreed with KfW IPEX-Bank. Furthermore, the interest rate level was further reduced by adjusting the financing terms of existing loans with a total volume of EUR 155 million, resulting in annual interest savings of around EUR 0.75 million.

By way of an asset purchase agreement dated 18 March 2021, virtually the whole sea container portfolio was sold to the investment company OHA KY Investment 1, L.P., George Town, Cayman Islands, for a purchase price of approximately USD 182.5 million. The related direct financial debt, which was taken up to finance the sea containers, has been or will be repaid in full by the end of September of this financial year. With this step, the Company has finally moved to focus on the sustainable core business of Rail.

In the first half year of the current financial year, around 216 tank and intermodal wagons representing a volume of approximately EUR 19.6 million were added to the portfolio.

At the end of June, an asset management contract was concluded with On Rail Gesellschaft für Vermietung und Verwaltung von Eisenbahnwaggons mbH, Moers, now the third asset manager.

2.3 FINANCIAL PERFORMANCE

The disposal of the sea container area in the first quarter of the current reporting period falls within the scope of IFRS 5. The respective assets of this business area are therefore reported separately from the other assets in the balance sheet as of 30 June 2021. In contrast, the financial debt incurred in connection with the sea containers, which was repaid from the proceeds of the sale in the reporting period or will be repaid in the future, is not part of the discontinued operation in accordance with IFRS 5 and is therefore not to be reported separately. The interest expenses, exchange rate effects and other financing costs of the discontinued sea container area are therefore recognised in the result from continuing operations. The result from continuing operations and the result from discontinued operations are shown separately in the profit and loss account and the prior year figures have been adjusted accordingly.

in EUR k	H1 2021	H1 2020	Q2 2021	Q2 2020
Sales	50,279	50,862	25,644	23,563
Changes in inventories [1]	0	-3,063	0	0
Cost of materials	-9,878	-9,791	-5,439	-4,813
Personnel expenses	-2,565	-2,420	-1,268	-1,130
Other income	713	852	672	128
Other expenses	-2,436	-2,939	-1,285	-1,465
EBITDA	**36,113**	**33,501**	**18,324**	**16,283**
Amortisation and depreciation	-17,373	-15,325	-8,711	-8,087
EBIT	**18,740**	**18,176**	**9,613**	**8,196**
Financial result	-11,118	-20,987	-12,273	-14,241
whereof interest result	-20,669	-21,106	-11,324	-10,520
whereof sea containers	-6,953	-7,481	-4,960	-3,678
whereof net effect of modification of loans	1,024	0	1,024	0
whereof exchange rate impacts	4,734	502	-4,385	-3,659
whereof measurement of derivative financial instruments	5,351	214	3,662	218
whereof other financing costs	-534	-597	-226	-280
Result for the period before tax (EBT)	**7,622**	**-2,811**	**-2,660**	**-6,045**
Result for the period before tax (EBT), adjusted[2]	**4,000**	**4,551**	**2,225**	**1,354**
Income taxes	3,871	936	3,896	2,273
whereof current income tax	-1,381	-571	-1,363	-94
whereof deferred tax	5,252	1,507	5,259	2,367
Result of continued operations	**11,493**	**-1,875**	**1,236**	**-3,772**
Result of discontinued operations	**-8,596**	**3,253**	**-7,742**	**1,287**

[1] Relates in full to the disposal of the Storage Park

[2] EBT adjusted for effects in the financial result: interest result sea containers, net effect of modification of loans, measurement effects of derivative financial instruments, exchange rate effects and other financing costs

The Aves Group has generated sales of EUR 50,279 k (prior year: EUR 50,862 k) in the first six months of this year, hereinafter referred to as the "reporting period". The prior year's sales include EUR 3,394 k proceeds from the sale of the final real estate activity. After adjusting for these proceeds, there was an increase in sales of 5.9 %. The sales growth results primarily from the strong investment activity of the prior year and the associated sales effects for the current reporting period and from the investments made in the course of the financial year. EUR 44,469 k (prior year: EUR 41,163 k) of sales relate to the Rail segment and EUR 5,481 k (prior year: EUR 5,550 k) to the Container segment. The sales of the operating business segments thus increased slightly more than the increase in the asset portfolio. Other income of EUR 713 k was below that of the prior year of EUR 852 k of which EUR 680 k (prior year: EUR 1 k) relates to the Container segment and EUR 37 k (prior year: EUR 748 k) to the Rail segment. Of the other income in the Container segment, EUR 617 k resulted from profits on the sale of swap bodies. A segment breakdown was performed based on sales. However, this was not possible by region, as the wagons are mainly hired out in the DACH region.

The increase in cost of materials as a result of the growth in sales in the operating segments took place at a lower rate to EUR 9,878 k compared to EUR 9,791 k in the prior year. Overall, the margin ((sales minus cost of materials)/sales) of the operating segments increased slightly from 79.1 % in the prior year to 80.2 % in the reporting period. For the Rail segment, the margin increased to 81.0 % (prior year 79.3 %). A slightly lower occupancy rate compared to the prior year, which is nonetheless still at a stable, high level, is offset by slightly higher average rental rates. In the Container segment, the margin fell from 77.1 % to 73.0 %. A slight increase in capacity utilisation and lower average rental rates compared to the same period in the prior year had an impact on the margin.

Personnel expenses were slightly above the prior year's level at EUR 2,565 k (prior year: EUR 2,420 k). In contrast, other expenses decreased by EUR 503 k to EUR 2,436 k.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased in the reporting period to EUR 36,113 k (prior year: EUR 33,501 k) and thus by 7.8 % compared to the same period of the prior year. Adjusted for the one-time proceeds from the sale of the logistics property in the prior year, the EBITDA margin rose from 70.6 % to 71.8 % in the reporting period. The Rail segment achieved an EBITDA of EUR 35,122 k, an improvement of EUR 2,762 k compared to the same period of the prior year. The Container segment saw a slight increase in EBITDA from EUR 4,094 k in the same period of the prior year to EUR 4,229 k in the reporting period.

As a result of the strong investment activity in the prior year and the reporting period, amortisation and depreciation increased by EUR 2,048 k to EUR 17,373 k.

The Group's financial result improved from EUR -20,987 k to EUR -11,118 k. This significant improvement is mainly due to the increase in income of EUR 5,184 k (prior year: EUR 202 k) from the valuation of termination options, which the Aves Group secured in connection with the issuance of bonds, and increased currency effects of EUR 4,734 k (prior year: EUR 502 k) in the first six months of the current financial year. The increased interest expenses of EUR 22,100 k (prior year: EUR 21,324 k) were more than compensated for by an increase of EUR 1,213 k in interest income to EUR 1,431 k. This interest income resulted mainly with EUR 1,410 k from a valuation effect from the successful refinancing of a rail portfolio.

After taking into account the financial result, earnings before taxes (EBT) amounted to EUR 7,622 k (prior year EUR -2,811 k). Of this amount, EUR 13,521 k (prior year: EUR 9,409 k) is attributable to the Rail segment and EUR -6,187 k (prior year: EUR -9,309 k) to the Container segment.

EBT adjusted for the effects of the sea container business (interest result sea containers, exchange rate effects and other financing costs) and for valuation effects of termination options and income from the modification of loans in the course of the refinancing of a rail portfolio amounts to EUR 4,000 k (prior year EUR 4,551 k).

After tax, the Aves Group's result from continuing operations amounts to EUR 11,493 k (prior year: EUR -1,875 k).

For the composition of the result of discontinued operations of EUR -8,596 k (prior year: EUR 3,253 k), we refer to the notes.

Aves' consolidated result increased to EUR 2,897 k in the first six months of the current financial year (prior year: EUR 1,378 k).

2.4 FINANCIAL AND NET ASSET POSITIONS

NET ASSET POSITION

As of the reporting date, Aves Group's total assets decreased from EUR 1,021,572 k to EUR 895,678 k compared to 31 December 2020.

The asset side of the consolidated balance sheet as of 30 June 2021 is marked by property, plant and equipment totalling EUR 796,086 k (31.12.2020: EUR 935,455, k). The decrease results primarily from the sale of the sea container business. Other financial assets mainly include EUR 8,916 k (31.12.2020: EUR 3,495 k) early termination rights for bonds issued by the Aves Group.

Current assets increased to EUR 69,531 k compared to EUR 60,623 k as of 31 December 2020. Trade receivables increased to EUR 19,074 k (31.12.2020: EUR 17,023 k). Other assets and advance payments of EUR 23,631 k (31.12.2020: EUR 24,730 k) mainly include restricted cash of EUR 15,443 k (31.12.2020: EUR 16,034 k) (reserve accounts for future maintenance and capital services), which were mainly set up in connection with the financing of the Rail portfolio. Furthermore, cash and cash equivalents of EUR 21,544 k (31.12.2020: EUR 17,283 k) are included in current assets. In addition, current assets include EUR 4,631 k (31.12.2020: EUR 0) of assets classified as held for sale.

On the equity and liabilities side, consolidated equity increased from EUR 14,042 k to EUR 15,522 k compared to 31 December 2020. Non-current liabilities decreased from EUR 886,860 k as of 31 December 2020 to EUR 773,974 k, mainly due to the repayment of the financial debt related to the financing of the sea containers. Current liabilities decreased from EUR 120,670 k to EUR 106,183 k.

Current financial debt amounts to EUR 91,093 k, compared to EUR 106,039 k as of 31 December 2020. The overall decrease in financial debt is related to the financial debt taken out to finance the sea containers, which was repaid in the reporting period from the proceeds of the sale of the sea containers.

FINANCIAL SITUATION

The cash flow from operating activities amounted to EUR 37,311 k (prior year: EUR 44,028 k). Of this amount, EUR 30,449 k (prior year: EUR 44,289 k) is attributable to continuing operations. Cash flow from investing activities amounted to EUR 115,715 k (prior year: EUR -48,009 k). In the reporting period, investments in property, plant and equipment were lower than in the comparative period at EUR -30,859 k (prior year: EUR -60,274 k). The sale of the sea container segment resulted in proceeds of EUR 146,071 k in the reporting period. In the comparative period, proceeds from the disposal of assets of EUR 5,901 k were recorded, of which EUR 5,280 k resulted from proceeds from the sale of sea containers.

Cashflow from financing activities amounted to EUR -148,785 k (prior year: EUR -4,833 k).

To finance the freight and tank wagons and swap bodies, the Company incurred reduced liabilities of EUR 50,686 k (prior year: EUR 113,703 k) in the reporting period compared to the prior year. In addition, cash interest payments of EUR -19,806 k (prior year: EUR -17,616 k) were made. Repayments of financial debt increased to EUR -178,078 k (prior year: EUR -99,077 k), mainly as a result of the repayment of liabilities related to the sea container business.

The Aves Group was at all times in a position to meet its payment obligations punctually.

The Management Board continues to work relentlessly on improving the Group's capital structure and adapting it to changing market conditions, and on appropriate refinancing in order to ensure the solvency of the Aves Group in the future.

The Management Board has no indication that there will be any material adverse changes in the Aves Group's cash flows.

3 OPPORTUNITIES AND RISK REPORT

3.1 RISK MANAGEMENT

The risk management system enables the Aves Group to identify potential risks both at an early stage and accurately. The Management Board evaluates and controls these risks in close cooperation with the Group's operating units. The integral parts of the system are the systematic risk identification and risk assessment, which provide a foundation for the introduction of measures to avoid, reduce and limit risks. An individual risk mapping of both the macro and micro risks captures all material risks. The Group pays particular attention to risks that could endanger its continued existence and their early detection. Corrective action can be thus be initiated or strategy adjustments tackled promptly. The risk management system evolves continuously and systematically. The risk policy of the Aves Group matches its aspiration to grow sustainably and increase its 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. They group the risks according to their amount and likelihood 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 a direct ranking. Depending on the amount of the weighed risk in EUR k, it is allocated to one of four categories:

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

A risk defined as a "medium" weighted risk and higher is on the watch list of 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 in line with the changing and underlying conditions. The same applies to newly identified risks. There is a reporting system at the Management Board level in accordance with Section 90 of the German Stock Corporation Act (AktG). "). The Supervisory Board are informed of changes to business policy and major transactions with a material impact on the profit and loss account of the Company are either reported as part of the regular quarterly Supervisory Board meetings, or if necessary, immediately.

Due to the sale of the sea containers (see section 1), the risks and opportunities associated with the Group's further development will arise in future from the Rail segment and swap bodies.

A detailed presentation of the Aves Group's risks can be found in the 2020 Group Management Report, which is available on the internet at http://www.avesone.com/downloads/gb_2020_en.pdf and in the Federal Gazette.

3.2 MATERIAL CHANGES TO RISKS COMPARED TO THE 2020 GROUP MANAGEMENT REPORT

Regarding the presentation of the material risks and opportunities, reference is made to the respective disclosures in the Group Management Report contained in the Annual Report 2020. Overall, the same Group risks are considered material as at 30 June 2021 as were already material as of 31 December 2020. There are no critical risks as of the 30 June 2021 balance sheet date.

3.3 OVERALL PICTURE OF THE RISK SITUATION

The Aves Group's business model is based on three key interdependent factors: acquisition of durable logistic assets with sustainable good cash flow performance in liquid markets, access to favourable financing terms and capital generation.

These three factors thus represent the main areas of risk. Awareness of this situation marks the activities of the Management Board. This is seen as the basis for the on-going optimisation of financing at favourable conditions. At the same time, investment projects which meet the benchmarks in terms of sustainability and return are launched and developed. Closely related to this is the availability of liquid funds, which must be assured 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 that arise in the market. In addition to all the other risk areas subject to constant monitoring, with regard to the prominent matters, the Management Board also sees itself in a position, thanks to the expertise and stable shareholder structure present in the Company, to be able to successfully carry out any necessary capital raising measures if required.

Thus, as of the balance sheet date, there are significant but no critical nor existentially threatening risks, which either individually or in their entirety jeopardise the continued existence of the Company.

3.4 OPPORTUNITY REPORT

The risk management system encompasses both potential risks and opportunities. In addition to risk identification and risk avoidance, its strategic focus on business opportunities is intended to contribute to a sustainable increase in the value of the Company, to increase profitability and to assure the continued existence of Aves in the long term. The Aves Group's opportunities have further increased compared to the same period of the prior year. The investment activity in the past financial year, the acquisitions made in the current financial year and the current investment pipeline all contribute to this. In addition, the further increase in demand for logistic assets, utilisation rates at a consistently high level and the improved financing structure will have a positive impact on the Aves Group. The identification of opportunities is an essential task of corporate management. On the basis of the overall conditions, market and industry environment and the business development described above, there are various potential opportunities, some of which are described below.

Rail

In Germany and Europe, the liberalisation of rail freight transport is both promoted and called for. According to a binding target set by the European Commission, 50 % of freight transport should be transferred from road to other means of transport, such as rail or ship, by 2050. The aim is to achieve climate protection targets, such as the reduction of CO^2 emissions, and thus to exploit and expand the environmental advantages of rail as a mode of transport versus road transport. From this, SCI expects that especially the intermodal sector will grow strongly until 2030 in order to be able to achieve the goals set for transferring freight transport from road to rail. Already today, 35 % of the transport output of the German freight railways is generated by combined transport, which is to be seen as an important growth market.

In view of these underlying conditions, the Aves Group is operating in a market environment with good prospects. As the state-owned railway companies have limited financing options, they are focusing more on investments in the rail network and passenger transport. An end to this disinvestment in wagons seems to be unlikely. In the US, leasing companies control approximately 65 % of the freight wagon market. According to SCI, the share of leasing companies in Europe will increase from 36 % in 2018 to 45 % by 2025, thus increasing the share of leasing companies by 2.2 - 2.5 % per year. Replacement investments are and will remain the market drivers in the freight wagon sector, as high replacement investments will be required in the coming years due to the high average age of the freight wagon fleet in Europe. Based on information from operators and manufacturers, fewer wagons are currently being produced than would be needed to meet replacement investment needs, so that the average fleet age continues to increase. Aves believes that there are good opportunities to grow in this market and to help close the growing gap between market demand and supply by making additional initial or expansion investments. As a result of the investments made, Aves has a broad portfolio of freight and tank wagons, intermodal wagons, bulk freight wagons and other wagons. The Management Board is continuing to increase its focus on the Rail segment and intends to significantly expand this business segment by means of further acquisitions and to take advantage of growth opportunities.

Swap bodies

In the special equipment segment, logistics companies from the so-called courier, express and parcel market (CEP market) are among the main lessors of swap bodies. One of the main growth drivers continues to be the increasing online trade in the B2C segment (business-to-consumer), but international shipments have also seen an increase, which will continue. According to estimates made by the Bundesverband Paket- und Expresslogistik e.V. (Federal Association of Parcel and Express Logistics), annual growth in the volume of shipments of 7% per year in total is expected for the next few years until 2025. Logistic companies continue to focus on their core business or for accounting policy reasons do not have the opportunities to purchase these mobile assets. These two factors are thus accelerating the growth of the leasing companies that are partners of the Aves Group. SCI also expects positive effects for the swap body market. Accordingly, new market participants are expected to expand the production capacities of swap bodies, which ought to be reflected in an increase in rental rates. Due to the increase in online trade, demand for swap bodies is expected to increase. The internationalisation of logistic companies, especially towards Eastern Europe, may create additional growth potential for the swap body market.

The opportunities of the Aves Group

Should the markets develop as forecast and Aves' planned strategic measures can be implemented, there is a good chance that utilisation rates will remain stable at a high level across the business segments and that the financial performance will improve. Furthermore, current and future markets are being explored for opportunities for strategic acquisitions, investments or partnerships to complement organic growth. Such activities can strengthen the competitive position of the Aves Group in the markets it currently serves, open up new markets or complement the portfolio in selected segments. The Management Board assumes that there is a high likelihood that it will be able to implement the planned measures.

4 FORECAST REPORT

MACROECONOMIC SITUATION

The COVID-19 pandemic continues to have a tangible impact on global economic growth. Increasing vaccination rates in the major industrialised nations and additional economic stimulus programmes are expected to contribute to a marked economic upturn in 2021.

In the IMF's economic forecast, which was updated in July, the experts continue to predict global economic growth of 6.0 % for 2021, the same as in April. However, according to the IMF, the gap in economic development between industrialised nations and emerging and developing nations is widening, which could potentially lead to a slowdown in global growth. According to the IMF, access to vaccines is the most important fault line along which the global recovery splits into two distinct parts.

The industrialised nations are expected to grow by 5.6 % in 2021. The IMF is thus raising its April forecast by 0.5 %. On the other hand, the IMF experts are revising the forecast for emerging and developing countries by 0.4 % to a growth rate of 6.3 % in 2021. For Europe, an increase in gross domestic product of 4.6 % in 2021 and 4.3 % in 2022 is expected. As per the EU Commission's summer forecast, the economy in the euro area is expected to grow by 4.8% in 2021 and by 4.5% in 2022.

In the view of the IMF, Germany will grow by 3.6 % in 2021, the same as in April, whereas growth is predicted to accelerate to 4.1 % in 2022. The Kiel Institute for the World Economy expects Germany's economy to grow by 3.9 % in 2021 and by 4.9 % in 2022.

The IMF analysts forecast growth of 8.1 % for China in 2021, a slight decline compared to the forecasts made in April. Economic output of 5.7 % is expected for the following year.

In particular, the fiscal stimuli and the aid and stimulus packages in the USA lead to an increase in the IMF's previous estimate of 0.6 % to 7.0 % economic growth for the United States. For 2022, growth of 4.9 % is forecast as a consequence of the assumption that further economic stimulus packages will be agreed.

Overall, it is common to the various forecasts that they are fraught with great uncertainty, since, among other things, the duration and extent of the pandemic and its containment measures are not yet known. Furthermore, it cannot be reliably gauged to what extent the economic stimulus and aid programmes of central banks and governments will be effective and whether possible protectionist measures and a move away from global production and supply chains will have a negative impact on trade and the global economy.

INDUSTRY SITUATION

RAIL

The market share of rail freight in total transport volumes in Europe is approximately 18 %. The Federal Environment Agency expects freight transport volumes in Germany to increase to 975 tonne-kilometres by 2050, an increase of almost 61 % compared to the period from 2010 to 2050. Additionally, the Federal Environment Agency assumes in its calculations that the market share of rail transport will increase from currently approximately 18 % to approximately 23 % in 2030 and 31 % in 2050. The advancing liberalisation of markets previously controlled by state railways is creating growth opportunities for private logistics service providers. In addition, due to the environmental benefits and climate protection goals, the German government and the European Commission have decided to permanently strengthen and expand rail freight transport. Furthermore, additional growth impulses are expected from the reduction in track access charges for rail freight transport resolved by the Federal Government. In the course of the COVID-19 pandemic, further economic stimuli and support programmes were launched by the German government with regard to rail freight transport, but much is also being done at European level to expand rail freight transport in order to meet the goals of the "European Green Deal".

The majority of railway companies have recognised the need for restructuring and consolidation, and in some cases have even taken initial actions. Often, however, the state shareholders lack the willingness to systematically implement the identified measures for reform and to finance the necessary investments, or they focus on rail network infrastructure and passenger transport.

The problem of noise protection is and remains an important factor in European rail freight transport for the achievement of environmental protection goals. In addition, customers increasingly expect a standard of wagon equipment that is already definitive in road freight transport, for example the presence of digital systems that make it possible, among other things, to determine the position of vehicles and mileage data. With regard to maintenance and repair management, the ability to collect and evaluate data is playing an increasingly important role in reducing maintenance costs and simplifying logistics processes.

Given the need to achieve climate targets and the need to transfer traffic, intermodal wagons play a special role in combined transport, both nationally and internationally, as they enable seamless transfers between the different modes of transport (ship, truck, rail). Looking ahead, the Aves Group considers itself strategically well positioned with intermodal wagons accounting for a significant part of its total portfolio.

The further impacts of the COVID-19 pandemic and its containment measures on rail freight transport, which has been declared to be of systemic relevance, cannot be assessed conclusively at the moment, but it could even emerge strengthened from this situation in the long term. Differing effects of the COVID-19 pandemic on various industries in which the Aves portfolio is deployed are still expected. Since the end of 2020, the steel sector has also seen an upturn in demand, but this will remain volatile in the long term. In industries where, for example, production figures or product demand are down in the short term, utilisation may fall. In contrast, there will also be sectors where there is higher demand for freight and tank wagons. Rent increases, as recently widely accepted, will in all likelihood be difficult to implement in 2021.

CONTAINER

The sale of virtually the entire sea container portfolio to OHA in March 2021 means that there are no future risks and opportunities for the Aves Group.

In the swap body segment, logistics companies from the so-called courier, express and parcel market (CEP market) are among the main lessees of swap bodies. The Bundesverband Paket und Expresslogistik e. V. (Federal Association of Parcel and Express Logistics) expects further growth in the volume of shipments of 7.0 % per year to a total of 5.7 billion shipments by 2025. One of the main growth drivers continues to be the increasing online trade in the B2C segment (business-to-consumer), but there was also an increase in international shipments, which will continue in the future. Moreover, logistics providers continue to focus on their core business or for accounting policy reasons have no real choice or interest in procuring these mobile assets.

OUTLOOK

In the view of the Management Board, the business model of the Aves Group has a solid foundation thanks to its business segments. The Rail segment in particular, but also investments in the swap body portfolio, will continue to be the focus in the 2021 financial year. With the sale of the sea container portfolio in March 2021, which will be fully completed by the beginning of the fourth quarter, the Management Board has completed its refocusing on the core Rail segment.

The investments in the Rail segment in the first half of 2021 show that the Company is continuing to grow strongly, especially in the segment of new-build wagons, and that the pace of growth can be maintained at a high level.

The impact of the COVID-19 pandemic and its containment measures on the overall economic development, supply and production chains, delays at manufacturers of new wagons and possibly reduced workshop maintenance capacities are still difficult to forecast.

Despite the challenging overall conditions, the Managing Board assumes that opportunities will also arise in this market environment for Aves, which intends to continue on its growth trajectory.

For the current financial year 2021, based on the measures currently being implemented and the full-year effect from the investment activities of the previous financial year 2020, the Management Board is confident about the future.

With the signing of the investment agreement on 6 August 2021 with Swiss Life Asset Managers and Vauban Infrastructure Partners (we refer to the details in the report on post balance sheet events), the Company has reached a further milestone. With the commitment of minimum of EUR 100 million of equity capital and additional capital to optimise the capital structure and to finance Aves' further growth, the Management Board believes that this will contribute significantly to the continuation of the Aves Group's dynamic growth trajectory and its focus on the future market Rail.

Overall, in the face of the challenging environment, the Management Board is sticking to its forecast of sales in excess of EUR 100 million for 2021, of which more than EUR 92 million are to be generated by the Rail segment and more than EUR 8 million by the swap bodies remaining in the Container segment. Further, the Management Board is still forecasting an EBITDA of more than EUR 70 million for the current financial year. EBITDA of more than EUR 64 million is still expected for the core Rail segment and more than EUR 6 million for the Container segment.

In view of the fact that the effects of the COVID-19 pandemic cannot be reliably estimated, the Management Board expects the Rail segment to be able to participate in a recovery of the overall market with a medium-term increase in capacity utilisation to pre-Corona levels. Capacity utilisation has already increased in the first half of the current reporting period. Rental rate increases, as in 2020, will probably also only be possible if the overall market recovers. Different developments are expected here for the lessees from the various sectors that are users of the freight wagons. The utilisation rate in the swap body segment is expected to remain at a high level.

The Management Board points out that despite the discontinuation of the sea container business and the resulting repayment of the financial debt taken out to finance the sea containers, there will still be exchange rate effects in the 2021 financial year that may influence the consolidated result.

Hamburg, 30. September 2021

The Management Board

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

in EURk	Notes reference	30/06/2021	31/12/2020
Assets			
Intangible fixed assets	5.1	2,434	6,299
Tangible fixed assets	5.2	796,086	935,455
Investments accounted for using the equity method		80	78
Other financial assets	5.3	10,081	4,086
Deferred tax claims	5.6	17,466	15,031
Long-term assets		**826,147**	**960,949**
Inventories		0	226
Trade accounts receivable	5.4	19,074	17,023
Financial receivables		483	463
Other assets and advance payments		23,631	24,730
Tax reimbursement claims		166	898
Liquid funds	5.5	21,544	17,283
Assets classified as held for sale	2	4,631	0
Short-term assets		**69,531**	**60,623**
Balance sheet total		**895,678**	**1,021,572**

CONSOLIDATED BALANCE SHEET

in EURk	Notes reference	30/06/2021	31/12/2020
Equity			
Subscribed capital		13,015	13,015
Capital reserves		40,043	40,043
Retained earnings		-63,643	-65,745
Other reserves		1,862	2,488
Hybrid capital of Aves One AG shareholders		24,114	24,114
Equity attributable to Aves One AG shareholders		**15,391**	**13,915**
Non-controlling interests		131	127
Total equity	5.7	**15,522**	**14,042**
Liabilities			
Financial liabilities	5.8	765,309	877,903
Deferred tax liabilities	5.6	8,665	8,957
Long-term liabilities		**773,974**	**886,860**
Tax liabilities		9,348	8,322
Financial liabilities	5.8	91,093	106,039
Trade accounts payable		2,924	3,422
Other liabilities		2,818	2,887
Short-term liabilities		**106,183**	**120,670**
Total liabilities		**880,157**	**1,007,530**
Balance sheet total		**895,678**	**1,021,572**

CONSOLIDATED INCOME STATEMENT

in EURk	Notes reference	01/01/2021-30/06/2021	01/01/2020-30/06/2020 (adjusted)
Sales	4.1	50,279	50,862
Change in inventories of finished goods and work in progress		0	-3,063
Other operating income		710	852
Cost of materials	4.2	-9,878	-9,791
Personnel expenses	4.3	-2,565	-2,420
Other operating expenses	4.4	-2,436	-2,937
Result from investments accounted for using the equity method (net of tax)		3	-2
Earnings before depreciation, interest and taxes (EBITDA)		**36,113**	**33,501**
Amortization, depreciation and impairment of intangible and tangible fixed assets	4.5	-17,373	-15,325
Earnings from operating activities including the result from investments accounted for using the equity method (EBIT)		**18,740**	**18,176**
Interest income		1,431	218
Interest expenses		-22,100	-21,324
Currency effects on financial receivables and financial liabilities		4,734	502
Financing secondary costs		-534	-597
Other financial result		5,351	214
Financial result	4.6	**-11,118**	**-20,987**
Earnings before tax		**7,622**	**-2,811**
Taxes on income and profit	4.7	3,871	936
Net result from continuing operations		**11,493**	**-1,875**
Net result from discontinued operations	2	-8,596	3,253
Consolidated profit /loss		**2,897**	**1,378**
Attributable to			
Aves One AG shareholders		2,102	1,374
Hybrid capital owners of Aves One AG		791	0
Non-controlling interests		4	4
Diluted and undiluted earnings per share from continuing operations (EUR)		**0.88**	**-0.14**
Diluted and undiluted earnings per share from consolidated profit /loss (EUR)		**0.16**	**0.11**
Average number of outstanding shares (diluted and undiluted)		13,015,053	13,015,053

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EURk	01/01/2021-30/06/2021	01/01/2020-30/06/2020 (adjusted)
Consolidated profit /loss	**2,897**	**1,378**
Items that will not be reclassified to profit or loss	**0**	**0**
Gains/losses on currency translation recognized in other comprehensive income	-2,866	39
Transferred to profit or loss	1,772	0
Deferred taxes relating to exchange differences on translating foreign operations	0	0
Exchange differences on translating foreign operations, net of tax	-1,094	39
Fair value changes recognized in other comprehensive income	0	0
Transferred to profit or loss	48	0
Deferred taxes relating to cash flow hedges	-12	0
Cash flow hedges, net of tax	36	0
Fair value changes recognized in other comprehensive income	576	-242
Transferred to profit or loss	2	13
Deferred taxes relating to deferred costs of hedging	-146	79
Deferred costs of hedging, net of tax	432	-150
Items that may be reclassified to profit or loss	**-626**	**-111**
Total comprehensive income	**2,271**	**1,267**
Attributable to		
Aves One AG shareholders	1,476	1,263
Hybrid capital owners of Aves One AG	791	0
Non-controlling interests	4	4
Total comprehensive income attributable to Aves One AG shareholders from		
Continuing operations	11,166	-2,029
Discontinued operations	-9,690	3,292

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

					Other reserves							
							Hedging					
in EURk	Number of shares in circulation	Subscribed capital	Capital reserve	Retained earnings	Equity instruments	Currency translation	Cash flow hedge reserve	Deferred costs of hedging	Hybrid capital of Aves One AG shareholders	**Equity attributable to Aves One AG shareholders**	Non-controlling interests	**Total equity**
as at 01/01/2020	**13,015,053**	**13,015**	**40,043**	**-8,776**	**168**	**832**	**-1,433**	**-2,324**	**0**	**41,525**	**119**	**41,644**
Consolidated profit /loss	0	0	0	1,374	0	0	0	0	0	1,374	4	1,378
Other comprehensive income	0	0	0	0	0	39	0	-150	0	-111	0	-111
Total comprehensive income	0	0	0	1,374	0	39	0	-150	0	1,263	4	1,267
Capital increases/decreases	0	0	0	0	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	15	0	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**	**0**	**42,803**	**123**	**42,926**
as at 01/01/2021	**13,015,053**	**13,015**	**40,043**	**-65,745**	**198**	**7,697**	**-1,585**	**-3,822**	**24,114**	**13,915**	**127**	**14,042**
Consolidated profit /loss	0	0	0	2,102	0	0	0	0	791	2,893	4	2,897
Other comprehensive income	0	0	0	0	0	-1,094	36	432	0	-626	0	-626
Total comprehensive income	0	0	0	2,102	0	-1,094	36	432	791	2,267	4	2,271
Capital increases/decreases	0	0	0	0	0	0	0	0	0	0	0	0
Dividend payment	0	0	0	0	0	0	0	0	-791	-791	0	-791
Other changes	0	0	0	0	0	0	0	0	0	0	0	0
as at 30/06/2021	**13,015,053**	**13,015**	**40,043**	**-63,643**	**198**	**6,603**	**-1,549**	**-3,390**	**24,114**	**15,391**	**131**	**15,522**

CONSOLIDATED CASH FLOW STATEMENT

in EURk	01/01/2021-30/06/2021	01/01/2020-30/06/2020 (adjusted)
Earnings before tax from continuing and discontinued operations	**1,885**	**2,282**
Depreciation on intangible and tangible fixed assets as well as other financial assets	17,373	18,892
Changes in bad debt provisions for trade accounts receivable	17	19
Gains (-)/losses (+) from the sale/disposal of tangible fixed assets and investment property	-283	1,632
Result from investments accounted for using the equity method, after tax	-3	2
Interest income	-1,431	-219
Interest expenses	22,100	21,324
Exchange rate gains (-)/losses (+) (not cash-effective)	-4,804	-557
Other expenses/income not attributable to operating activities	534	597
Other non-cash expenses/income	44	-1,193
Operational cash flow before changes in working capital	**35,432**	**42,779**
Changes in working capital		
Increase (-)/Decrease of:		
Inventories	0	3,453
Trade accounts receivable not attributable to investing/financing activities	3,044	3,991
Other assets and prepayments	508	-2,418
Increase (-)/Decrease of:		
Trade accounts payable not attributable to investing/financing activities	-1,314	-6,854
Other liabilities and other accruals and provisions	-79	3,886
Operating cash flow	**37,591**	**44,837**
Income tax payments	-280	-809
Cash flow from ongoing business operations	**37,311**	**44,028**
attributable to discontinued operations	6,862	-261
Cash flow from investment activities		
Payments for investments in intangible fixed assets	-87	0
Receipts from disposals of tangible fixed assets	146,071	5,901
Payments for investments in tangible fixed assets	-30,859	-60,274
Changes in restricted cash	590	6,364
Cash flow from investment activities	**115,715**	**-48,009**

in EURk	01/01/2021-30/06/2021	01/01/2020-30/06/2020 (adjusted)
Cash flow from financing activities		
Receipts from the issuing of bonds and (financial) loans	50,686	113,703
Amortization payments for bonds and (financial) loans	-178,078	-99,077
Amortization payments for lease liabilities	-262	-273
Other expenses/income attributable to financing activities	-534	-1,570
Interest paid	-19,806	-17,616
Dividends paid to hybrid capital owners of Aves One AG	-791	0
Cash flow from financing activities	**-148,785**	**-4,833**
attributable to discontinued operations	0	0
Cash-effective changes in liquid funds	4,241	-8,814
Liquid funds as at 1 January	**17,283**	**30,887**
Exchange rate related changes in liquid funds	20	10
Liquid funds as at 30 June	**21,544**	**22,083**

SELECTED EXPLANATORY NOTES

1 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 registered office of Aves One AG is Große Elbstraße 61, 22767 Hamburg, Germany.

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

1.1 BUSINESS SEGMENTS OF THE AVES GROUP

The Aves One Group is an inventory holder of long-lived logistics assets with a focus on freight wagons. Swap bodies complement the Aves Group portfolio. Aves One AG is an established player in the European rail freight market. As portfolio holder and owner of the logistics assets, Aves Group is responsible for the management and control of the asset managers, the weighting of the business units and the portfolio management.

As at 30 June 2021, the asset portfolio totaled approximately EUR 794 million. The Rail division represents the core business area and will continue to be the focus of further growth in the future. Another essential focus of the Group's activities are swap bodies. The strategy is focused on continuous optimization and further expansion of the Rail portfolio.

In the first half of the fiscal year, activities in the Rail division in particular were driven forward by the acquisition of freight and tank cars and by investments in swap bodies.

1.2 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 2021 to 30 June 2021 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 2020.

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.

PREVIOUS YEAR INFORMATION

Under the agreement dated 18 March 2021, almost the entire sea container portfolio was sold. The whole disposal of the sea container portfolio will be completed by the beginning of the fourth quarter of the current fiscal year 2021. The disposal of the sea container business qualifies as an application case under IFRS 5.

Against this backdrop, all components of profit and loss related to the already completed or planned disposal of the sea container assets are presented separately in the consolidated income statement within net result from discontinued operations. The same applies to the consolidated statement of comprehensive income and the consolidated cash flow statement. The comparative figures for the previous year have been adjusted accordingly. Unless otherwise stated, changes in profit and loss items or cash flows stated or explained in the notes to the condensed interim consolidated financial statements always relate to the continuing operations of the Aves Group.

Assets that have not been sold as at 30 June 2021, but are still held for sale, are presented separately from other assets in the consolidated balance sheet as assets classified as held for sale. In accordance with IFRS 5, no adjustment was made to the consolidated balance sheet figures as at 31 December 2020.

For detailed information on discontinued operations, please refer to Section 2.

1.3 SUBSTANTIAL ACCOUNTING PRINCIPLES

In preparing these condensed interim consolidated financial statements, the same accounting principles have been applied as in the consolidated financial statements as at 31 December 2020. A detailed description of these principles is published in the notes to the consolidated financial statements in the 2020 Annual Report.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sales transaction rather than through continuing use. Such non-current assets are presented in a separate balance sheet item classified as held for sale in accordance with IFRS 5.

They are measured at the lower of carrying amount and fair value less costs to sell. Depreciations are not recognized as long as a non-current asset is classified as held for sale or belong to a disposal group classified as held for sale.

Components of an entity that meet the requirements of IFRS 5.32 are classified as discontinued operations. The assets and liabilities of discontinued operations represent disposal groups that are to be measured and presented in accordance with the same principles as non-current assets held for sale. The income and expenses of discontinued operations are presented as one line item in the consolidated income statement as net result from discontinued operations after the net result from continuing operations. Corresponding gains or losses on disposal are included in net result from discontinued operations. The net cash flows attributable to operating, investing and financing activities of the discontinued operations are presented separately in the consolidated cash flow statement. The previous year figures in the consolidated income statement and the consolidated cash flow statement are adjusted accordingly. The discontinued operation is fully consolidated until its actual disposal.

EFFECTS OF NEW OR AMENDED IFRS

The impact of the first-time adoption of new accounting standards was immaterial for the Aves Group. Standards, interpretations or amendments that have been published but are not yet mandatory were not implemented early. The expected effects from future mandatory accounting standards are also not significant for the Aves Group.

1.4 DISCRETIONARY DECISIONS, ESTIMATIONS AND ASSUMPTIONS

These condensed interim consolidated financial statements as at 30 June 2021 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. These condensed interim consolidated financial statements should be read in conjunction with the consolidated financial statements as at 31 December 2020.

The Aves Group continues to expect a complex macroeconomic environment impacted by COVID-19. Nevertheless, the operational and accounting impact of the Corona pandemic on the condensed interim consolidated financial statements is not significant. Despite this positive development, the accounting effects for the particularly relevant areas of impairment of intangible assets and property, plant and equipment will continue to be evaluated, especially during the ongoing pandemic situation.

WERTMINDERUNGEN AUF IMMATERIELLE VERMÖGENSWERTE

Due to the economic situation and clearly positive future economic forecasts, no need was seen for an impairment of goodwill despite the ongoing Corona pandemic.

1.5 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 2020, no key figures adjusted for holding recharges are considered within the segment reporting under Section 3, 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.

1.6 SCOPE OF CONSOLIDATION

In addition to Aves One AG, Hamburg, including two companies accounted for using the equity method, a total of 54 (PY: 54) subsidiaries are included in the condensed interim consolidated financial statements as at 30 June 2021.

1.7 CURRENCY TRANSLATION

The condensed interim consolidated financial statements as at 30 June 2021 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 =	**30/06/2021**	31/12/2020	30/06/2020	**01/01/2021-30/06/2021**	01/01/2020-30/06/2020
US Dollar	**1.18840**	1.22710	1.11980	**1.20567**	1.10145

2 DISCONTINUED OPERATIONS

Under a contract dated 18 March 2021, almost the entire sea container portfolio was sold to the investment company OHA KY Investment 1, L.P., Oak Hill. (Oak Hill). The sea container sale will be executed in four tranches. The last tranche is expected to take place at the beginning of the fourth quarter of 2021. A small portfolio of sea containers, which was not part of the purchase agreement with OHA, was sold to the asset manager Conical GmbH under a contract dated 22 September 2021. Thus, the sea container business will be completely discontinued in the financial year 2021.

The net result from discontinued operations can be broken down as follows:

in EURk	01/01/2021-30/06/2021	01/01/2020-30/06/2020
Sales	6,468	12,704
Cost of materials	-883	-1,978
Income	729	160
Expense	-12,051	-5,794
Earnings from operating activities (EBIT)	**-5,737**	**5,092**
Financial result	0	0
Earnings before tax (EBT)	**-5,737**	**5,092**
Taxes on income and profit	-2,859	-1,839
Net result from discontinued operations	**-8,596**	**3,253**

The expenses from discontinued operations include a loss from the sale of the sea container assets in the amount of EURk 11,350 thousand for the first half of 2021.

The carrying amount of assets classified as held for sale of EURk 4,631 includes property, plant and equipment of EURk 3,611, inventories of EURk 152, trade receivables of EURk 608, other assets and prepayments of EURk 125 and tax refund claims of EURk 135. The financial liabilities taken on in connection with the sea containers, which are to be repaid in full from the proceeds of the sale in fiscal 2021, are not part of the discontinued operation and are therefore not reported separately.

3 SEGMENT REPORTING

The segmentation follows the internal management and reporting within the Aves Group. The subsidiaries and business untis 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 (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 carried out by the asset managers ERR Duisburg and Wascosa.

The Container segment includes the leasing of swap bodies to logistics companies in the courier, express and parcel market. The technical and commercial management is carried out by various external service providers. Compared to 31 December 2020, the sea container business is now only included in the Container segment on a combined basis as net result from discontinued operations due to disposals that have already taken place or are still planned. The segment reporting for the previous year has been adjusted accordingly. In addition, the assets attributable to the sea container business are reported on a combined basis as assets classified as held for sale as at 30 June 2021. For further information on discontinued operations, please refer to Section 2.

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 2020, no key figures adjusted for holding recharges are considered within the segment reporting, 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 sales of the Rail segment partially result from a participation in Austria, otherwise all sales are realized by companies located in Germany.

Key Figures by Segment as at 30 June 2021

	Reporting segments			Reconciliation to the Group		
in EURk	Container	Rail	**Total**	Holding activities	Consolida-tion	**Group**
Sales						
External sales	5,461	44,469	49,930	349	0	50,279
Intersegment sales	21	0	21	1,890	-1,911	0
Total sales	5,482	44,469	49,951	2,239	-1,911	50,279
Change in inventories of finished goods and work in progress	0	0	0	0	0	0
Cost of materials	-1,481	-8,434	-9,915	1	36	-9,878
Personnel expenses	0	-240	-240	-2,325	0	-2,565
Result from investments accoun-ted for using the equity method (net of tax)	0	0	0	3	0	3
Other operating income and expenses	228	-673	-445	-3,516	2,235	-1,726
EBITDA excl. holding alloca-tions	**4,229**	**35,122**	**39,351**	**-3,598**	**360**	**36,113**
Amortization, depreciation and impairment of intangible and tangible assets	-3,078	-14,050	-17,128	-245	0	-17,373
EBIT excl. holding allocations	**1,151**	**21,072**	**22,223**	**-3,843**	**360**	**18,740**
Interest result	-11,812	-10,295	-22,107	1,289	149	-20,669
Currency effects on financial receivables and financial liabilities	5,008	0	5,008	0	-274	4,734
Financing secondary costs	-534	0	-534	0	0	-534
Other financial result	0	2,744	2,744	2,607	0	5,351
Financial result	**-7,338**	**-7,551**	**-14,889**	**3,896**	**-125**	**-11,118**
EBT excl. holding allocations	**-6,187**	**13,521**	**7,334**	**53**	**235**	**7,622**
EBT adjusted, excl. holding allocations	**-11,195**	**13,521**	**2,326**	**53**	**509**	**2,888**
Taxes on income and profit	5,471	-929	4,542	102	-773	3,871
Net result from continuing operations	**-716**	**12,592**	**11,876**	**155**	**-538**	**11,493**
Net result from discontinued operations	-8,596	0	-8,596	0	0	-8,596
Consolidated profit /loss	**-9,312**	**12,592**	**3,280**	**155**	**-538**	**2,897**
Total assets	**58,034**	**796,899**	**854,933**	**185,732**	**-144,987**	**895,678**
Tangible fixed assets	**41,738**	**753,534**	**795,272**	**1,134**	**-320**	**796,086**
Assets classified as held for sale	**4,631**	**0**	**4,631**	**0**	**0**	**4,631**
Total liabilities	**181,435**	**758,224**	**939,659**	**111,234**	**-170,736**	**880,157**

Key Figures by Segment as at 30 June 2020

in EURk	Reporting segments: Container	Rail	**Total**	Reconciliation to the Group: Holding activities	Consolida-tion	**Group**
Sales						
External sales	5,549	41,163	46,712	5,717	-1,567	50,862
Intersegment sales	1	0	1	85	-86	0
Total sales	5,550	41,163	46,713	5,802	-1,653	50,862
Change in inventories of finished goods and work in progress	0	0	0	-3,063	0	-3,063
Cost of materials	-1,270	-8,504	-9,774	0	-17	-9,791
Personnel expenses	0	-233	-233	-2,187	0	-2,420
Result from investments accoun-ted for using the equity method (net of tax)	0	0	0	-2	0	-2
Other operating income and expenses	-186	-66	-252	-1,976	143	-2,085
EBITDA excl. holding alloca-tions	**4,094**	**32,360**	**36,454**	**-1,426**	**-1,527**	**33,501**
Amortization, depreciation and impairment of intangible and tangible assets	-3,002	-12,072	-15,074	-251	0	-15,325
EBIT excl. holding allocations	**1,092**	**20,288**	**21,380**	**-1,677**	**-1,527**	**18,176**
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	**-9,309**	**9,409**	**100**	**-1,370**	**-1,541**	**-2,811**
EBT adjusted, excl. holding allocations	**-9,829**	**9,409**	**-420**	**-1,370**	**-1,523**	**-3,313**
Taxes on income and profit	-89	538	449	487	0	936
Net result from continuing operations	**-9,398**	**9,947**	**549**	**-883**	**-1,541**	**-1,875**
Net result from discontinued operations	3,253	0	3,253	0	0	3,253
Consolidated profit /loss	**-6,145**	**9,947**	**3,802**	**-883**	**-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**
Assets classified as held for sale	**0**	**0**	**0**	**0**	**0**	**0**
Total liabilities	**315,233**	**729,798**	**1,045,031**	**80,761**	**-100,390**	**1,025,402**

4 SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED INCOME STATEMENT

4.1 SALES

Compared to the same period of the previous year, revenues decreased by EURk 583 from EURk 50,862 to EURk 50,279.

Adjusted for the one-time effect of the previous year from the sale of the self-storage park in the amount of EURk 3,394, however, revenues increased by 5.9%. The Rail segment in particular recorded a significant increase of EURk 3,306 or 8.0%, reflecting the sustained expansion of the Rail portfolio both in the previous and current financial year.

4.2 COST OF MATERIALS

Compared to 30 June 2020 cost of materials increased by EURk 87 from EURk 9,791 to EURk 9,878.

The margin ((sales revenues less cost of materials)/sales revenues) of the operating divisions showed a slight decrease from 79,1% in previous year's period to 80.2% in the reporting period. For the Rail segment, this resulted in an increase in the margin to 81.0% (previous year: 79.3%), mainly due to higher capacity utilization compared to the previous year. In the Container segment, the margin decreased from 77.1% to 73.0%. The margin was impacted by a slight increase in capacity utilization and lower average rental rates compared with the prior-year period.

4.3 PERSONNEL EXPENSES

Personnel expenses increased by EURk 145 year-on-year from EURk 2,420 to EURk 2,565.

The increase is mainly due to higher variable compensation in the Group's sales company.

The average number of employees fell from 46 in the first half of 2020 to 41 in the first half of 2021. As of June 30, 2021, the Aves Group had 41 employees (previous year: 45 employees).

4.4 OTHER OPERATING EXPENSES

Other operating expenses decreased by EURk 501 from EURk 2,937 to EURk 2,436 compared to the prior year's period.

Other operating expenses mainly include consultancy costs of EURk 1,025 (prior year: EURk 1,008), losses on the disposal of non-current assets of EURk 357 (prior year: EURk 61), insurance fees of EURk 232 (prior year: EURk 349), IT-costs of EURk 74 (prior year: EURk 183) as well as agency commissions of EURk 15 (prior year: EURk 254).

4.5 AMORTIZATION, DEPRECIATION AND IMPAIRMENT OF INTANGIBLE AND TANGIBLE ASSETS

Amortization, depreciation and impairment losses on intangible assets and property, plant and equipment increased by EURk 2,048 year-on-year from EURk 15,325 to EURk 17,373.

The increase is mainly due to the strong investment activity in the Rail segment.

No impairment losses have been recognized on intangible assets and property, plant and equipment as of June 30, 2021.

4.6 FINANCIAL RESULT

Compared to the same period of the previous year, the financial result increased by EURk 9,869 from EURk -20,987 to EURk -11,118.

The increase is mainly due to the fair value measurement of termination options as of June 30, 2021 in the amount of EURk 5,184 (previous year: EURk 202). For further explanations, please refer to sections 5.3 and 5.8.

The measurement of financial receivables and liabilities denominated in foreign currencies as of the reporting date resulted in exchange rate-related currency income of EURk 4,734 as of June 30, 2021 (previous year: EURk 502).

In addition, the interest result includes an one-time modification gain of EURk 1,410 (previous year: EURk 0) resulting from the contractual restructuring of a syndicated loan. This is recognized as an expense using the effective interest method until the end of the term.

The early repayment of financial liabilities to direct investors in connection with the sale of the maritime container assets also reduced net interest expense by EURk 3,224 compared with the prior-year period. On the other hand, there was an additional burden on net interest income in the form of early repayment fees of EURk 3,503 (previous year: EURk 0), which were incurred in connection with the repayment of liabilities to banks in connection with the sale of the maritime container assets.

4.7 INCOME TAXES

Income taxes increased by EURk 2,935 from EURk 936 to EURk 3,871 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 the development of valuation differences in the individual companies on the other hand.

5 SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED BALANCE SHEET

5.1 INTANGIBLE FIXED ASSETS

Compared to 31 December 2020, intangible fixed assets decreased by EURk 2,865 from EURk 6,299 to EURk 2,434.

The reduction results mainly from a partial disposal of goodwill in the amount of EURk 3,822 and is due to the discontinuation of the sea container business (see also the disclosures in the management report). The remaining portion of goodwill in the amount of EURk 1,802 is allocated to the remaining swap bodies business.

5.2 TANGIBLE FIXED ASSETS

Compared to 31 December 2020, tangible fixed assets decreased by EURk 139,369 from EURk 935,455 to EURk 796,086.

The decrease is mainly due to the sale and related disposal of the sea container assets, which were largely transferred in the second quarter of 2021. The decrease was partly offset by investments in swap bodies and above all in the Rail division. Investments were mainly made in tank and intermodal wagons.

Impairment losses on tangible fixed assets were not identified as at 30 June 2021. Reference is also made here to the comments in Section 1.4.2.

5.3 OTHER FINANCIAL ASSETS

Compared to 31 December 2020, other financial assets increased by EURk 5,995 from EURk 4,086 to EURk 10,081.

in EURk	**30/06/2021**	**31/12/2020**
Derivative assets for hedging interest rate risks (cash flow hedges)	1,163	585
Derivative assets not included in a hedging relationship	8,918	3,501
Total	**10,081**	**4,086**

As in the previous period, other financial assets consist entirely of derivative assets with and without a hedging relationship.

The derivative assets for hedging interest rate risks are interest rate caps and interest rate floors that hedge the Aves Group against interest rate fluctuations from variable-interest bank loans. The derivative assets for hedging interest rate risks show an increase in fair value of EURk 578 compared to 31 December 2020, which was recognized in other comprehensive income.

As in the previous period, the 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 2021, the value of the call options increased by EURk 237 at initial recognition. As at 30 June 2021, the fair value of the call options increased by EURk 5,184. The increase was directly recognized within the other financial result. For further information on the bonds issued in the first half of 2021, please refer to Section 5.8.

In addition, derivative assets without a hedging relationship include portions of interest caps and interest floors that cannot be placed in a hedging relationship with the hedged item or which the Aves Group deliberately refrains from including in hedge accounting as part of its risk management strategy. As at 30

June 2021, the fair value of interest rate derivatives without a hedging relationship amounts to EURk 2 (PY: EURk 6).

5.4 TRADE ACCOUNTS RECEIVABLE

Compared to 31 December 2020, trade accounts receivable increased by EURk 2,051 from EURk 17,023 to EURk 19,074.

The entire receivables portfolio is due within one year as at 30 June 2021.

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 2021 compared to 31 December 2020.

5.5 LIQUID FUNDS

Compared to 31 December 2020, liquid funds increased by EURk 4,261 from EURk 17,283 to EURk 21,544.

In addition, there is restricted cash in the amount of EURk 15,443 (PY: EURk 16,034) reported within other assets and advance payments.

The development of the Aves Group’s liquid funds from 1 January to 30 June 2021 is shown in the consolidated cash flow statement.

5.6 DEFERRED TAX CLAIMS AND LIABILITIES

As at 30 June 2021, there are deferred tax claims of EURk 17,466 (PY: EURk 15,031) and deferred tax liabilities of EURk 8,665 (PY: EURk 8,957).

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.

5.7 EQUITY

Compared to 31 December 2020, the Aves Group's equity increased by EURk 1,480 from EURk 14,042 to EURk 15,522, resulting in an equity ratio of 1.7% (PY: 1.4%).

The development of the single items within equity from 1 January to 30 June 2021 is shown in the consolidated statement of changes in equity and the consolidated statement of comprehensive income.

The profit attributable to the hybrid capital owners of Aves One AG for the first half of 2021 amounts to EURk 791 and was distributed in the same period.

In connection with the disposal of the sea container assets in the first half of 2021, currency translation differences in the amount of EURk 1,772 were transferred from currency reserves to profit and loss. These are reported in the net result from discontinued operations.

5.8 FINANCIAL LIABILITIES

Compared to 31 December 2020, financial liabilities decreased by EURk 127,540 from EURk 983,942 to EURk 856,402.

in EURk	30/06/2021 Carrying amount	30/06/2021 thereof short-term	30/06/2021 thereof long-term	31/12/2020 Carrying amount	31/12/2020 thereof short-term	31/12/2020 thereof long-term
Bank loans	554,304	59,783	494,521	602,147	48,749	553,398
Corporate bonds	174,161	18,364	155,797	166,384	9,930	156,454
Institutional lenders	117,874	5,901	111,973	139,266	12,681	126,585
Direct investors	5,618	3,955	1,663	71,208	33,964	37,244
Leasing liabilities	3,419	2,907	512	3,693	552	3,141
Derivative liabilities for hedging interest rate risks (cash flow hedges)	996	178	818	1,208	127	1,081
Derivative liabilities not included in a hedging relationship	30	5	25	36	36	0
Total	**856,402**	**91,093**	**765,309**	**983,942**	**106,039**	**877,903**

The decrease is mainly due to the repayment of bank loans and financial liabilities to direct investors and institutional lenders in connection with the sale of the sea container assets in the first half of 2021.

In contrast, the volume of corporate bonds issued increased slightly compared to 31 December 2020:

in EURk Interest rate; emission; maturity; fixed interest; volume	30/06/2021 Carrying amount	30/06/2021 Nominal amount	30/06/2021 Fair value	31/12/2020 Carrying amount	31/12/2020 Nominal amount	31/12/2020 Fair value
5.25%; 2019; 2024; fixed-interest bond; EURk 5,000[1]	4,981	5,000	5,007	4,965	5,000	4,763
5.25%; 2019; 2024; fixed-interest bond; EURk 2,999[1]	2,988	2,999	2,999	2,978	2,999	2,849
5.25%; 2019; 2024; fixed-interest bond; EURk 40,000[1]	39,509	40,000	40,200	39,349	40,000	39,240
5.00%; 2020; 2022; fixed-interest bond; EURk 4,000[1]	4,087	4,000	4,000	4,089	4,000	4,000
5.00%; 2020; 2023; fixed-interest bond; EURk 10,000[1]	9,611	9,390	9,390	9,635	9,390	9,390
3.25%; 2020; 2022; fixed-interest bond; EURk 5,000[1]	1,735	1,746	1,746	1,726	1,746	1,746
4.25%; 2020; 2023; fixed-interest bond; EURk 4,000[1]	3,627	3,662	3,662	3,620	3,662	3,662
6.00%; 2020; 2021; fixed-interest bond; EURk 5,000	5,142	5,000	5,000	5,132	5,000	5,000
5.25%; 2020; 2025; fixed-interest bond; EURk 30,000[1]	58,811	60,000	60,558	58,783	60,000	58,950
5.00%; 2020; 2021; fixed-interest bond; EURk 3,000	3,030	3,000	3,000	3,008	3,000	3,000
6.00%; 2020; 2025; fixed-interest bond; EURk 32,000	33,026	32,000	33,968	33,099	32,000	32,163
6.00%; 2021; 2021; fixed-interest bond; EURk 2,500	2,565	2,500	2,500	0	0	0
5.25%; 2021; 2025; fixed-interest bond; EURk 5,000	5,049	5,000	5,019	0	0	0
Total	**174,161**	**174,297**	**177,049**	**166,384**	**166,797**	**164,763**

[1] Listed

The terms and conditions of the corporate bonds provide for early termination rights in favor of the Aves Group. The fair value of the call options at initial recognition amounts to EURk 237 (PY: EURk 2,942) increasing the bonds' carrying amount as at the issue date. Subsequently, the initially recognized options' fair value along with transaction costs of EURk 452 (PY: EURk 4,493), 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 2021, transaction costs and call options lead to a deviation from the nominal value in the amount of EURk 2,282 (PY: EURk 2,387). In addition, accrued interests in the amount of EURk 2,146 (PY: EURk 1,974) is included in the carrying amount of corporate bonds as at 30 June 2021.

6 ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS

The principles and methods for classifying and measuring financial instruments remain unchanged from the previous financial period. Detailed explanations on the classification and the valuation principles and methods can be found in the notes to the consolidated financial statements for 2020.

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 in 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 in 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.

in EURk	Category according to IFRS 9	**Carrying amount as at 30/06/2021**	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	**8,918**	0	8,918	0	0
Derivative assets with hedge relationship	FVOCI	**1,163**	0	0	1,163	0
Trade accounts receivable	AC	**19,074**	19,074	0	0	0
Financial receivables	AC	**483**	483	0	0	0
Other receivables and other financial assets	AC	**23,631**	23,631	0	0	0
Cash and cash equivalents	AC	**21,544**	21,544	0	0	0
Long-term financial liabilities excluding lease liabilities	AC	**763,954**	763,954	0	0	0
Long-term lease liabilities	n/a	**512**	0	0	0	512
Derivative liabilities without hedge relationship	FVTPL	**30**	0	30	0	0
Derivative liabilities with hedge relationship	FVOCI	**996**	0	0	996	0
Trade accounts payable	AC	**2,924**	2,924	0	0	0
Short-term financial liabilities excluding lease liabilities	AC	**88,003**	88,003	0	0	0
Short-term lease liabilities	n/a	**2,907**	0	0	0	2,907
Other liabilities	AC	**2,818**	2,818	0	0	0

in EURk	Category according to IFRS 9	**Carrying amount as at 31/12/2020**	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	**3,501**	0	3,501	0	0
Derivative assets with hedge relationship	FVOCI	**585**	0	0	585	0
Trade accounts receivable	AC	**17,023**	17,023	0	0	0
Financial receivables	AC	**463**	463	0	0	0
Other receivables and other financial assets	AC	**24,730**	24,730	0	0	0
Cash and cash equivalents	AC	**17,283**	17,283	0	0	0
Long-term financial liabilities excluding lease liabilities	AC	**873,681**	873,681	0	0	0
Long-term lease liabilities	n/a	**3,141**	0	0	0	3,141
Derivative liabilities without hedge relationship	FVTPL	**36**	0	36	0	0
Derivative liabilities with hedge relationship	FVOCI	**1,208**	0	0	1,208	0
Trade accounts payable	AC	**3,422**	3,422	0	0	0
Short-term financial liabilities excluding lease liabilities	AC	**105,324**	105,324	0	0	0
Short-term lease liabilities	n/a	**552**	0	0	0	552
Other liabilities	AC	**2,887**	2,887	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 2021 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 30/06/2021**
Derivative assets without hedge relationship	0	8,918	0	8,918
Derivative assets with hedge relationship	0	1,163	0	1,163
Financial assets at fair value	**0**	**10,081**	**0**	**10,081**
Derivative liabilities without hedge relationship	0	30	0	30
Derivative liabilities with hedge relationship	0	996	0	996
Financial liabilities at fair value	**0**	**1,026**	**0**	**1,026**
Bank loans	0	531,039	0	531,039
Institutional lenders	0	124,244	0	124,244
Direct investors	0	5,915	0	5,915
Corporate Bonds	127,562	49,487	0	177,049
Financial liabilities at amortized cost	**127,562**	**710,685**	**0**	**838,247**

in EURk	Level 1: Quoted prices in active markets	Level 2: Observable market data	Level 3: Unobservable market data	**Fair value 31/12/2020**
Derivative assets without hedge relationship	0	3,501	0	3,501
Derivative assets with hedge relationship	0	585	0	585
Financial assets at fair value	**0**	**4,086**	**0**	**4,086**
Derivative liabilities without hedge relationship	0	36	0	36
Derivative liabilities with hedge relationship	0	1,208	0	1,208
Financial liabilities at fair value	**0**	**1,244**	**0**	**1,244**
Bank loans	0	600,316	0	600,316
Institutional lenders	0	152,618	0	152,618
Direct investors	0	77,169	0	77,169
Corporate Bonds	124,600	40,163	0	164,763
Financial liabilities at amortized cost	**124,600**	**870,266**	**0**	**994,866**

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 2021, there was no transfer between the levels of the fair value hierarchy.

7 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 within other assets and advance payments and amounts to EURk 15,443 as at 30 June 2021 (PY: EURk 16,034).

EUR 29.4 million of the cash outflows for investments relate to the Rail division and EUR 1.3 million to the swap bodies division.

8 SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

As at 6 August 2021, Aves One AG has entered into an investment agreement with Rhine Rail Investment AG, Munich, a company controlled by Swiss Life Asset Managers and Vauban Infrastructure Partners. On the same date, the bidding consortium published its intention to make a voluntary public takeover offer at a price of EUR 12.80 per Aves One share.

Following a successful takeover, the consortium intends to provide Aves One AG with additional capital of at least EUR 100 million as well as potential additional capital to optimize the Company's capital structure and to finance further growth.

On 21 September 2021, Rhine Rail Investment AG, Munich, published its voluntary public takeover offer to acquire all bearer shares of the shareholders of Aves One AG at a purchase price of EUR 12.80 per share in accordance with sections 34, 14 para 2 and para 3 WpüG.

By resolution of the Management Board and the Supervisory Board dated 29 September 2021, the joint reasoned statement on the takeover offer of Rhine Rail Investment AG, Munich, was resolved and submitted pursuant to section 27 para. 1 WpÜG.

The statement was published on the Internet at https://www.avesone.com/en/takeoveroffer.php on the same date.

9 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, 30 September 2021

The Management Board

Tobias Aulich Sven Meißner