ANNUAL REPORT **2014**

YOUNIQ
AKTIENGESELLSCHAFT

KEY FIGURES

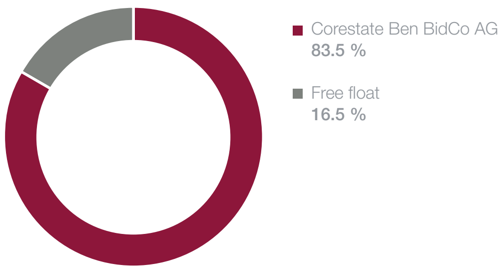
in kEUR	2014	2013
Earnings figures for continuing operations		
EBITDA*	(1,123)	(27,954)
EBIT	(1,295)	(29,592)
Consolidated net profit/(loss) for the period	(3,185)	(40,755)

	31.12.2014	31.12.2013
Key statement of financial position figures for the Group		
Total assets	93,694	125,453
Real estate assets*	85,254	114,076
Equity	21,127	27,198
Equity ratio in %	22.55	21.68
Net financial liabilities**	59,551	79,453
Net debt/equity ratio in %*/***	69.85	69.65
Net asset value per share in EUR	2.02	2.60
Employees (annual average)	39	42

*Previous year's figure adjusted, see Annex 4 to the notes to the consolidated financial statements on page 148
**Financial liabilities less cash and cash equivalents
***Financial liabilities less cash and cash equivalents/real estate assets

YOUNIQ SHARES

Shareholder structure as at 31 December 2014



Basic information

Security identification number (WKN)	A0B7EZ
ISIN	DE000A0B7EZ7
Stock exchange code	YOU
Trading segment	Prime Standard
Share capital as at 31 Dec. 2014	EUR 10,400,000.00
Share capital as at 31 Dec. 2013	EUR 10,400,000.00
Initial public offering	08.12.2006
Initial issue price	EUR 17.00
Share price as at 2 January 2014 (XETRA)	EUR 2.27
Share price as at 30 December 2014 (XETRA)	EUR 1.015
High	EUR 2.47
Low	EUR 0.875

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To the shareholders

Management report

Financial statement


LONDON
PARIS


YOUNIQ

Frankfurt Riedberg I

Units	232
Rental area (sqm)	5,160
Completion	Q4/2012
Rental income (EUR million with full letting p.a.)	1.1

LETTER FROM THE MANAGEMENT BOARD

Dear Shareholders,

In the past financial year, YOUNIQ made significant progress with the completion and initial rental of the properties in Mainz, Potsdam and Bayreuth and with reducing administrative expenses and consolidating its finances. With the "YOUNIQ – Student Housing" and "Services" segments, the Group is now positioned to generate operating profits in the future. The disposal of the remaining properties in the "Renting and Trading Real Estate" has also been completed apart from one final object, meaning that the Group expects to be able to discontinue this segment entirely in the current year.

The 2014 financial year was closed with a consolidated net loss of EUR 6.2 million. The fact that this exceeds the the forecast issued in the 2013 annual report, which had anticipated a consolidated net loss of EUR 5.0 million for 2014, is due almost entirely to negative effects on earnings resulting from the change in the majority shareholder and the associated mandatory offer to the shareholders of YOUNIQ AG in October 2014. These unforeseeable negative effects on earnings particularly related to the loss of tax loss carryforwards due to the change in shareholder and to unavoidable costs for consulting services.

After the high loss in 2013, YOUNIQ also had to reposition its "YOUNIQ – Student Housing" core business. Firstly, the sale of properties resulted in the loss of a significant portion of rental income, and the income from management contracts for YOUNIQ buildings in the third-party portfolio ("Services" segment) provides relief here only to a lesser extent. Secondly, our four properties in our own portfolio were successfully let during the past year. The associated costs were offset by only comparatively low rental income. The costs need to be adjusted to the lower level of income. As a result of the extensive consolidation of subsidiaries, the initiated change in the stock exchange segment, reduced rental costs for our offices in Leipzig and several other individual measures, we anticipate considerably lower administrative expenses in 2015. With rental income increasing at the same time, we expect to generate a profit at operating level in the 2015 financial year. After interest and taxes, we anticipate a low consolidated net loss on the basis of our current planning.

We are currently focussing on optimising the YOUNIQ Group's financing structure. After the Potsdam bond was extended for half a year at the end of 2014, we are now aiming to refinance it with improved conditions. Based on the current financing volume, we anticipate decreasing interest costs in the coming years. We are confident that, in close cooperation with our Supervisory Board and with the support of our majority shareholder, we will be able to return to a sustainable growth path in the future. After dealing with the negative effects from the past in operational and accounting terms, YOUNIQ is once again increasingly focussing on increasing its involvement on the student housing market.

Dear shareholders, in mid-December last year I was appointed to the Management Board of YOUNIQ AG. I would like to take this opportunity to thank my predecessor Marcus Schmitz for his very productive and straightforward support with my orientation, which began a few weeks before my official appointment. Since 1 January 2015, I have been responsible for the management of

YOUNIQ AG as the sole member of the Management Board. During this period, I have got to know our employees as a very well-coordinated and highly motivated team that is working with great dedication on the further development of the YOUNIQ Group. I would like to thank all of my colleagues for this dedication and for their friendly welcome to YOUNIQ. I would also like to thank you, the shareholders, for the trust you placed in our company in the past financial year. I am delighted at your continued support.

Frankfurt am Main, March 2015

Alexander Kersting, Management Board

SUPERVISORY BOARD REPORT

Dear shareholders,

In the 2014 financial year, the Supervisory Board performed the tasks incumbent on it in accordance with the law, the articles of association and the rules of procedure with great care. It regularly advised the Management Board on the management of YOUNIQ AG and monitored its activities. The Supervisory Board was involved in all decisions of fundamental important to the company at an early stage. The Management Board regularly and promptly informed the Supervisory Board, in the form of detailed written and oral reports, about all issues relevant to the company with regard to its strategy, planning, the current business performance, the risk situation, risk management and the development of profitability. Deviations of the business performance from the plans and targets were explained to the Supervisory Board in detail and were examined by the Supervisory Board using the documents provided. The Management Board agreed the strategic orientation of the company with the Supervisory Board. At the Supervisory Board meetings, the Management Board informed the Supervisory Board about all key topics for the company. Where required by law or in accordance with the articles of association or the rules of procedure, the Supervisory Board voted on the reports and resolution proposals of the Management Board after thorough examination and discussion. In addition to intensive work on the full Supervisory Board, the Chairman of the Supervisory Board was also in regular contact with the Management Board outside the meetings in order to keep informed about the current business performance and significant transactions and provide advice accordingly. The Chairman of the Supervisory Board also held separate meetings with the Management Board to discuss the prospects and future orientation of the individual business areas.

In the 2014 financial year, the Supervisory Board held three physical meetings and adopted eight additional resolutions in which it particularly dealt in depth with the economic situation and the operational and strategic development of the company and its business areas. Between the Supervisory Board meetings, the Management Board also informed the Supervisory Board immediately and comprehensively about transactions of particular significance to the assessment of the company's situation and performance and to its management. Matters requiring approval were submitted by the Management Board for resolution in good time or the necessary approval of the Supervisory Board was obtained immediately.

As a result of the mandatory offer to the company's shareholders published by Corestate Ben BidCo AG on 10 November 2014, the Supervisory Board of the company was required in accordance with art. 39 and art. 27 paragraph 1 sentence 1 of the German Securities Acquisition and Takeover Act (WpÜG) to issue a reasoned opinion and – at the request of the German Federal Financial Supervisory Authority – a supplementary opinion on the mandatory offer. In order to avoid any impression of a conflict of interests as a precautionary measure, the Chairman of the Supervisory Board did not participate in the preparation of the opinion and the supplementary opinion. He also did not participate in the discussion of the opinion and the supplementary opinion and abstained from voting on the resolution, as the Chairman of the Supervisory Board holds positions on the executive bodies of both Corestate Ben BidCo AG and its parent company, CORESTATE IREI Holding S.A. No other potential or actual conflicts of interest of Management Board and Supervisory Board members arose that required immediate disclosure to the Supervisory Board and notification to the Annual General Meeting.

Key topics of discussion

In the 2014 financial year, the Supervisory Board particularly dealt comprehensively with the development of business at YOUNIQ AG, major individual business transactions, the continued selling off of the "Renting and Trading" portfolio, issues relating to the company's liquidity planning and protection, Management Board remuneration issues, disposal plans for individual properties, the approval of the sale of the 94.9% interest in YOUNIQ AG to AF ATHENA GmbH, the further development of the "YOUNIQ – Student Housing" business area and the staffing and cost optimisation potential of the company. The Supervisory Board also dealt in depth with the refinancing options for the bearer bond to finance the real estate project development in Potsdam. In addition, the Supervisory Board particularly discussed the approval of the change in the stock exchange listing of the company's shares from the regulated market (Prime Standard) to the open market (Entry Standard) of the Frankfurt Stock Exchange and the mandatory offer published by Corestate Ben BidCo AG in accordance with the German Securities Acquisition and Takeover Act. In the context of this mandatory offer, the Supervisory Board issued an opinion and a supplementary opinion on the mandatory offer. The Supervisory Board also dealt with the search for a suitable successor for the Management Board member Mr Schmitz, who left the company as at 31 December 2014. A suitable successor for Mr Schmitz as Management Board member was found and appointed in the person of Mr Alexander Kersting.

In addition, the Supervisory Board ensured that it kept up to date – in close cooperation with the Management Board – on the current status of negotiations with financing banks, particularly Liechtensteinische Landesbank, in the context of the company's restructuring.

Finally, the Supervisory Board dealt in particular with the development of the company's sales, earnings and employee numbers, the approval of the annual and consolidated financial statements for the 2013 financial year, the financial report on the first half of the year and the individual quarterly financial reports in the 2014 financial year, and the preparation of the Annual General Meeting. In this context, the Supervisory Board met – as mentioned above – for a total of three physical meetings and eight additional resolutions, generally with the participation of the Management Board. In urgent cases, resolutions were adopted by way of written procedure or in teleconferences in coordination with the Chairman of the Supervisory Board.

Work in the Supervisory Board committees

Due to the downsizing of the Supervisory Board that was resolved at the 2013 Annual General Meeting, it no longer made sense to maintain committees.

Annual and consolidated financial statements

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, audited the annual financial statements, the consolidated financial statements and the management report for the company and the Group for the 2014 financial year that were submitted by the Management Board and issued an unqualified audit opinion with an explanatory note for each of them. Following by its own review of the annual and consolidated financial statements and the management report for the company and the Group for the 2014 financial year, the Supervisory Board concurred with the auditor's findings and approved the annual and consolidated financial statements at the Supervisory Board meeting on 18 March 2015. The annual financial statements have thus been adopted. Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft attended the meeting on 18 March 2015 and reported to the Supervisory Board on the key findings of its audit.

Management Board report on relations with affiliated companies in accordance with art. 312 AktG

The Management Board of YOUNIQ AG submitted the report on relations with affiliated companies in accordance with art. 312 of the German Stock Corporation Act (AktG) and the auditor's report on this to the Supervisory Board in good time. In accordance with the final outcome of its audit, the auditor did not raise any objections to the report and issued the following audit opinion:

"Having conducted our audit and assessment in accordance with our duties, we confirm that

1) the factual information in the report is correct,
2) the consideration paid by the company for the legal transactions described in the report was not inappropriately high in light of the circumstances that were known when the transactions were conducted,
3) with regard to the measures described in the report, there are no circumstances that indicate a significantly different assessment from that made by the Management Board."

The report on relations with affiliated companies was reviewed by the Supervisory Board. Based on its own review, the Supervisory Board concurs with the auditor's assessment and does not raise any objections to the Management Board's statement on relations with affiliated companies.

Changes on the Management Board and Supervisory Board

The former Management Board member, Mr Marcus Schmitz, was appointed as a member of the company's Management Board effective 1 January 2012 until 31 December 2014. Mr Marcus Schmitz and the company agreed not to extend Mr Schmitz's term of office beyond 31 December 2014 and not to extend the Management Board employment agreement contractually expiring as at 31 December 2014. On 17 December 2014, Mr Alexander Kersting was appointed as a member of the company's Management Board with immediate effect.

At the company's Annual General Meeting on 14 August 2014, Mr Daniel Schoch and Dr Carsten Strohdeicher were re-elected as members of the company's Supervisory Board and Dr Klaus Boemer, who had been appointed to the Supervisory Board by court order on 26 August 2013, was elected as a Supervisory Board member for the first time. At the constituent meeting of the Supervisory Board on 29 September 2014, Mr Daniel Schoch was elected as the Chairman of the Supervisory Board and Dr Klaus Boemer as Deputy Chairman of the Supervisory Board. Dr Carsten Strohdeicher resigned from the Supervisory Board effective 31 December 2014. At the company's request, the Frankfurt am Main District Court appointed Mr Jorgen Verink as a new Supervisory Board member in a ruling on 29 January 2015.

Corporate governance

The Management Board and the Supervisory Board follow the requirements of the German Corporate Governance Code, with a small number of exceptions. Further information on this can be found below in the corporate governance report and in the combined management report of the company and the Group. The joint declaration of compliance required in accordance with art. 161 paragraph 1 of the German Stock Corporation Act (AktG) is included in the corporate governance report and in the corporate governance statement in accordance with art. 289a of the German Commercial Code (HGB), which forms part of the management report, and can also be viewed online at www.youniq-group.de.

The employees of YOUNIQ AG and its subsidiaries contributed to the company's development in the reporting year with great commitment. The Supervisory Board would like to express its appreciation and thanks to the Management Board and all employees for their work.

Frankfurt am Main, March 2015

For the Supervisory Board
Daniel Schoch
- Chairman -

CORPORATE GOVERNANCE REPORT

Responsible and transparent corporate governance that is geared towards creating sustainable added value is given high priority at YOUNIQ AG in order to strengthen the trust of national and international investors, the financial markets, business partners and employees, and the general public. Key aspects of good corporate governance include efficient cooperation between the Management Board and the Supervisory Board, taking account of and promoting shareholders' interests, and openness in corporate communications. The Management Board reports to the Supervisory Board regularly, promptly and comprehensively on all relevant issues relating to corporate planning and the strategic development, business performance and situation of the Group. At the same time, good corporate governance also includes responsible handling of risks by the company. As part of its value-oriented Group management, YOUNIQ AG uses systematic risk management to ensure that risks are identified at an early stage and evaluated and that risk exposure is optimised. The recommendations of the Government Commission on the German Corporate Governance Code (GCGC) are an established benchmark for assessing the corporate governance of German listed companies and are thus an important tool for the capital-market-oriented development of transparency, comprehensibility, trust and monitoring. The Management Board and Supervisory Board of YOUNIQ AG are committed to the principles of the German Corporate Governance Code in the versions dated 6 June 2008, 18 June 2009, 26 May 2010, 15 May 2012, 13 May 2013 and 24 June 2014, and implement them apart from a small number of exceptions. The details are provided the declaration of compliance issued by the Management Board and the Supervisory Board in March 2015 in accordance with art. 161 paragraph 1 of the German Stock Corporation Act (AktG).

Shareholders and Annual General Meeting

The shareholders exercise their participation and control rights at the Annual General Meeting. Each YOUNIQ AG share entitles the holder to one vote. The shareholders have the option to exercise their voting rights in person at the Annual General Meeting or via a representative of their choice or a proxy from the company who is obliged to act on their instructions. The company ensures that the company-appointed proxies acting on shareholders' instructions can also be contacted during the Annual General Meeting. There is no upper limit for a shareholder's voting rights and no special voting rights. Each shareholder is entitled to participate in the Annual General Meeting, to speak on the respective agenda items there and to request information on the company's affairs if this is necessary for proper evaluation of an item of the agenda.

Cooperation between the Management Board and the Supervisory Board

The Management Board and the Supervisory Board collaborate closely and in a spirit of trust in the interests of YOUNIQ AG, thereby ensuring that sufficient information is provided to the Supervisory Board. Their shared goal is to sustainably increase the value of the company.

Management Board

The Management Board of YOUNIQ AG manages the company on its own responsibility and in the company's interests with the aim of creating sustainable added value. The Management Board's work, matters reserved for the full Management Board and the necessary majorities for resolutions and transactions requiring approval are defined by the Supervisory Board in its rules of procedure for the Management Board. In the 2014 financial year, the following changes occurred in the composition of the Management Board:

Mr Marcus Schmitz, former member of the Management Board, and the company agreed not to extend the Management Board employment agreement expiring as at 31 December 2014. Mr Schmitz's appointment ended at the end of 31 December 2014 in accordance with his contract.

The Management Board is currently represented by:

ALEXANDER KERSTING,

born on 18 October 1969. Mr Kersting was appointed as a member of the Management Board by way of a Supervisory Board resolution on 17 December 2014 with immediate effect. His term of office will end on 31 December 2015. The Management Board member has sole power of representation with the authority to conclude legal transactions with himself as a representative of a third party on behalf of the company.

Supervisory Board

The Supervisory Board of YOUNIQ AG regularly advises and monitors the Management Board in its management of the company and collaborates closely with it. The entire Supervisory Board is regularly informed about significant developments at YOUNIQ AG.

As mentioned above, at the Annual General Meeting on 14 August 2014 Mr Daniel Schoch and Dr Carsten Strohdeicher were re-elected as members of the company's Supervisory Board and Dr Klaus Boemer, who had been appointed to the Supervisory Board by court order on 26 August 2013, was elected as a Supervisory Board member for the first time. At the constituent meeting of the Supervisory Board on 29 September 2014, Mr Daniel Schoch was elected as the Chairman of the Supervisory Board and Dr Klaus Boemer as Deputy Chairman of the Supervisory Board. In a letter dated 26 November 2014 that was received by the company on the same day, Dr Carsten Strohdeicher resigned from the Supervisory Board effective 31 December 2014. At the company's request, the Frankfurt am Main District Court appointed Mr Jorgen Verink as a new Supervisory Board member in a ruling on 29 January 2015. The Supervisory Board believes that it has an adequate number of independent members.

The Supervisory Board currently consists of the following persons:

DANIEL SCHOCH,

born on 31 March 1974, is the Chairman of the Supervisory Board of YOUNIQ AG. Mr Schoch is a business economist and a member of the Management Board of CORESTATE Capital AG, Zug, Switzerland.

DR. KLAUS BOEMER,

born on 13 December 1956, is the Deputy Chairman of the Supervisory Board of YOUNIQ AG. Dr Boemer is a Managing Director of GEWOBAG EB, Berlin, and a Managing Partner of ADITIO Financial Management Service GmbH, Berlin.

JORGEN VERINK,

born on 15 May 1981, is an independent management consultant in the real estate sector.

Transparency

To ensure the greatest possible transparency, YOUNIQ AG aims to provide all target groups with the same information at the same time. All press releases and ad hoc disclosures are therefore published immediately on YOUNIQ AG's website (www.youniq-group.de). Our shareholders are also informed of important dates in a financial calendar that is published on the website.

Prior to the Annual General Meeting, the shareholders are provided with extensive information about the past financial year in the annual report and about the individual agenda items in the invitation to the Annual General Meeting. All other reports and documents required by law for the Annual

General Meeting are published and made easily accessible on the company's website along with the agenda. In addition, YOUNIQ AG posts its annual reports, quarterly financial reports and interim reports on its website immediately after their publication. The Annual Document to be prepared in accordance with art. 10 of the German Securities Prospectus Act (WpPG), which contains all relevant company information from the previous calendar year, is also posted on YOUNIQ AG's website.

Financial reporting and auditing

At the 2014 Annual General Meeting, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, was elected as the auditor and Group auditor for the financial year ending 31 December 2014 and was commissioned by the Supervisory Board with auditing the annual and consolidated financial statements.

DIRECTORS' DEALINGS: SHARE OPTION SCHEME FOR AND SHAREHOLDINGS OF MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

In accordance with art. 15a of the German Securities Trading Act (WpHG), the members of the Management Board and the Supervisory Board, other persons in management positions who have regular access to insider information on the company and are authorised to make major business decisions, and certain individuals who are closely related to the above persons, are required by law to disclose to YOUNIQ AG any purchase or sale of YOUNIQ shares or related financial instruments, particularly derivatives, that exceed the amount of EUR 5,000 per calendar year. We published notifications of such transactions immediately, including online at www.youniq-group.de. The company is not aware of members of the Management Board and Supervisory Board holding more than 1% of the shares issued by YOUNIQ AG in the 2014 financial year.

At the Annual General Meeting of YOUNIQ AG on 10 August 2011, the "YOUNIQ AG share option plan 2011" for issuing subscription rights for shares to executives and other key employees of YOUNIQ AG and its Group subsidiaries was introduced. The Management Board was authorised, subject to the approval of the Supervisory Board, to issue one or more share option plans under which options for a total of up to 520,000 ordinary bearer shares of YOUNIQ AG may be granted to members of the Management Board and employees of YOUNIQ AG and to members of the management and employees of YOUNIQ Group companies on one or more occasions until 9 August 2016. There are no subscription rights for the shareholders. The company can choose between satisfying the exercised subscription rights either by using the the contingent capital 2011/II that was created at the Annual General Meeting of YOUNIQ AG on 10 August 2011 for the purpose of servicing the subscription rights, or with treasury shares in the company, or with a cash settlement. With regard to issuing options to members of the Management Board of YOUNIQ AG, the authorisation applies to the Supervisory Board only. The exact group of beneficiaries and the number of subscription rights are determined by the Supervisory Board if Management Board members are affected, or otherwise by the Management Board with the approval of the Supervisory Board. The assigned subscription rights can be exercised within seven years of the assignment date but not before the end of a four-year qualifying period starting from the assignment date. The subscription rights cannot be exercised during certain waiting periods in connection with the end of the respective quarter or financial year, the publication of the corresponding results and the Annual General Meeting. The condition for exercising the subscription right is that the closing price of the YOUNIQ AG share must be equal to or higher than the exercise price on at least one trading day during the term of the subscription right. The exercise price for a YOUNIQ share is 110% of the average closing auction prices of the YOUNIQ share on the five trading days before the respective assignment date of the subscription rights. The Supervisory Board must specify a cap for extraordinary developments with regard to share options granted to the Management Board members. In case events such as capital measures result in a change in the economic value of the subscription rights, the option conditions may provide for an adjustment of the exercise price so that the value of the option does not change as a result of such events. The subscription rights are non-transferable and can only be exercised by the beneficiary. Further details with regard to granting and satisfying subscription rights and further conditions of the plan are determined by the Supervisory Board if Management Board members are affected, or otherwise by the Management Board with the approval of the Supervisory Board.

Remuneration report

The remuneration report for the 2014 financial year, which is issued as part of the corporate governance report, can be found in section 7. of the Group management report. The Supervisory Board has reviewed the remuneration report in depth and adopted the information it contains. In order to avoid repetition, the report is not printed again here. The disclosures in the Group management report also form an integral part of this corporate governance report.

Declaration of compliance in accordance with art. 161 paragraph 1 AktG

In March 2015, the Management Board and the Supervisory Board issued the following joint declaration of compliance in accordance with art. 161 paragraph 1 of the German Stock Corporation Act (AktG). The declaration of compliance is also included in the corporate governance statement in accordance with art. 289a HGB, which forms part of the management report, and can also be viewed - together with the German Corporate Governance Code - online at www.youniq-group.de.

DECLARATION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD OF YOUNIQ AG ON THE RECOMMENDATIONS OF THE GOVERNMENT COMMISSION ON THE GERMAN CORPORATE GOVERNANCE CODE IN ACCORDANCE WITH ART. 161 PARAGRAPH 1 AKTG

YOUNIQ AG complied with all recommendations of the "Government Commission on the German Corporate Governance Code" in the respectively applicable versions dated 18 June 2009, 6 June 2008, 26 May 2010 and 15 May 2012, 13 May 2013 and 24 June 2014 in the 2014 financial year, and continues to comply with them, with the following exceptions:

Item 3.8 DCGK: A D&O insurance policy was taken out for the members of the Supervisory Board. This insurance did not provide for a deductible, since the Supervisory Board is already required by law to act responsibly and properly and the current legal obligation to agree a deductible for Management Board members does not apply to Supervisory Board members. The company intends to refrain from agreeing a deductible for Supervisory Board members in the future, too. This appears appropriate in view of the nature of the Supervisory Board mandate, which is also reflected in the different remuneration structure.

Item 4.1.5 DCGK: The recommendation to take account of diversity when filling management positions at the company and particularly to aim for appropriate representation of women is not currently implemented, since in the opinion of the Management Board the most important factor is relevant professional and specialist expertise and the market for such managers is limited.

Item 4.2.1 DCGK: The Management Board of the company currently consists of one person. In accordance with the Articles of Association, the Management Board may consist of one or more persons. In the opinion of the company's Supervisory Board, the limitation of the number of Management Board members to one person is expedient and also cost-efficient in the current configuration in light of the scope of the company's business operations.

Item 4.2.2/4.2.3 DCGK: The Management Board member Mr Alexander Kersting does not receive any remuneration himself in connection with the performance of his official duties. His work for the company is compensated under an assignment agreement between TAURIS Capital AG and YOUNIQ AG. In accordance with this assignment agreement, TAURIS Capital AG receives a fixed flat monthly fee. In the opinion of the company's Supervisory Board, this arrangement is an expedient and cost-efficient measure in the current configuration and enables the company to gain a qualified Management Board member to work for it for a flexible and initially foreseeable period.

Item 4.2.3 DCGK: The Management Board employment agreement with the former Management Board member Mr Marcus Schmitz did not provide for an upper limit on the remuneration resulting from the share options granted, since in the opinion of the Supervisory Board this was not necessary and had no motivating effect in view of the ambitious share price targets.

Item 4.2.5 DCGK: Item 4.2.5 GCGC stipulates that certain information on Management Board remuneration is to be presented in the remuneration report using reference tables in accordance with the annex to the GCGC. The company complies with the provisions of art. 87 AktG on Management Board remuneration and the statutory provisions on financial reporting. The Management Board, the Supervisory Board and the company consider this to be sufficient and do not see any corresponding added value for the increased expense associated with compliance with the new provisions of item 4.2.5 GCGC. The reference tables are complex and the Management Board, the Supervisory Board and the company do not believe that they can offer the reader any informational added value. Furthermore, for the majority of the 2014 financial year there was only one Management Board member at the company, which constitutes another argument against a complex presentation that takes account of the new provisions of item 4.2.5 GCGC. The company therefore refrains from using the reference tables and presents the Management Board remuneration transparently, understandably and comprehensively in the remuneration report.

Item 5.1.2 DCGK: In the opinion of the Management Board, the Supervisory Board and the company, the knowledge and experience of members of executive bodies should not be dispensed with on the basis of their biological age. When appointing Management Board members, the Supervisory Board therefore decides on the definition of an age limit and the suitability of the person on a case-by-case basis. However, in view of the current composition and age structure of the Management Board, there is also no need for an age limit at present. The recommendation to take account of diversity in the composition of the Management Board and particularly to aim for appropriate representation of women is not currently implemented, since in the opinion of the Supervisory Board the most important factor is relevant professional and specialist expertise and the market for such managers is limited.

Item 5.3 DCGK: The entire Supervisory Board is regularly informed about significant developments at YOUNIQ AG. Because the Supervisory Board consists of only three people in accordance with the articles of association, and in light of the scope of the company's business operations, it does not make sense to form committees at present.

Item 5.4.1 DCGK: The company refrains from formulating specific targets for the composition of the Supervisory Board, since in light of the scope of the company's business operations it does not seem expedient to formulate specific targets for the composition of the Supervisory Board. Moreover, in the opinion of the Supervisory Board the most important factor for the composition of the Supervisory Board is the members' relevant professional and specialist expertise, and the market for such persons is limited.

Item 5.4.3 DCGK: Mr Jorgen Verink was appointed as a member of the company's Supervisory Board by way of a ruling by the Frankfurt am Main District Court. Mr Verink's court appointment is not limited until the company's next Annual General Meeting. Nonetheless, the intention is to bring about a resolution of the Annual General Meeting on the election of Mr Verink as a member of the company's Supervisory Board in the current financial year.

Item 5.6 DCGK: No review of the efficiency of the Supervisory Board's activities was performed in the 2014 financial year. This is due to the fact that, after the downsizing of the Supervisory Board and a corresponding amendment to the articles of association had been resolved at the company's Annual General Meeting on 17 July 2013, the Supervisory Board firstly wanted to wait for cooperation of the downsized Supervisory Board in a full financial year. According to the Supervisory Board's current assessment, a review of its efficiency is not necessary in the current financial year in light of the composition of the Supervisory Board and the scope of the company's business operations.

Item 7.1.2 DCGK: The annual and consolidated financial statements, the half-year financial report and the interim reports are published within the statutory deadlines. The deadline for publication of the consolidated financial statements and the half-year financial report that is recommended in the Code was not complied with in the 2014 financial year, as this would have entailed significant additional costs and expenditure of resources. It is planned to publish the consolidated financial statements and the half-year financial report within the statutory deadlines in the future, too."

Frankfurt am Main, March 2015

For the Supervisory Board Daniel Schoch	For the Management Board Alexander Kersting


POTSDAM

Potsdam	
Units	387
Rental area (sqm)	8,084
Completion	Q3/2013
Rental income (EUR million with full letting p. a.)	1.4

COMBINED MANAGEMENT REPORT OF YOUNIQ AG AND THE YOUNIQ GROUP FOR THE 2014 FINANCIAL YEAR

1. BASIS OF THE GROUP

1.1 GROUP BUSINESS MODEL

1.1.1 Business areas

Since 2009, the company has focussed on its "YOUNIQ – Student Housing" core business, which comprises the development and management of high-quality student accommodation in nine university cities in Germany at present. As at 31 December 2014, the company's own and third-party portfolio under management or construction comprised 2,706 apartments. 2,519 of these units are being managed and 187 units are under construction or in planning. 1,247 of the 2,519 units that have already been constructed are owned by the company and 1,272 units are managed on behalf of third parties. The YOUNIQ Group has projects in the following attractive university cities:

- Munich
- Greifswald
- Karlsruhe
- Frankfurt am Main
- Mainz
- Potsdam
- Bayreuth
- Lübeck
- Leipzig

1.1.2 Group structure

YOUNIQ AG, based in Frankfurt/Main, operates as a holding and parent company for various subsidiaries, ranging from the continuing "YOUNIQ – Student Housing" and "Services" business areas to the discontinued "Renting and Trading Real Estate" and "Project Development" business areas. YOUNIQ AG's administration services are pooled in the "Services" business area. As the parent company, YOUNIQ AG is responsible for Group financing and for purchasing and selling property. The "Renting and Trading Real Estate" and "Project Development" business areas are reported as discontinued. These originate from the business activities of YOUNIQ's predecessor (Alta Fides). The company pressed ahead with the winding down of these two business areas as part of its decision to focus on Student Housing. The Project Development segment was discontinued and is now being wound up commercially and in the warranty and elimination of defects phase.

The subsidiaries are generally responsible for carrying out the Group's individual projects in the "YOUNIQ – Student Housing" and "Renting and Trading Real Estate" business areas. Thus, for example, subsidiaries build and develop new student accommodation. There are several control and profit transfer agreements with subsidiaries within the YOUNIQ Group. As at 31 December 2014, a total of 18 companies in addition to the parent company were included in the YOUNIQ AG consolidated group. As a result of mergers in particular, the number of subsidiaries thus decreased considerably in the past financial year (as at 31 December 2013: 31 subsidiaries). YOUNIQ AG is thereby endeavouring to further reduce administrative expenses.

1.1.3 Employees

The YOUNIQ Group employed an average of 39 people in the past financial year. 17 of these employees are assigned to the parent company YOUNIQ AG and 22 to its subsidiaries. As at 31 December 2014, three employees worked at YOUNIQ AG's head office in Frankfurt/Main, in addition to a further 32 employees at the Leipzig site and those working as scouts at the individual properties.

Increasing its employees' potential to create added value is a key priority for YOUNIQ AG. The company therefore supports the personal development of its employees with internal and external training measures, which were also carried out in the past financial year. The resulting increase in personal motivation and professional skills among the employees makes a vital contribution to the company's success.

1.1.4 Business performance and development of the property portfolio

I. STUDENT HOUSING

a. At the planning stage/under construction

In the first quarter of 2013, construction and development activities for the project in Lübeck were temporarily suspended and reviewed to assess their feasibility. This review process has not yet been completed. For this reason, the property in Lübeck was capitalised under investment property at cost of production to date (land and planning costs). The Bayreuth project was completed during the first quarter of 2014 and has since been held in the company's own portfolio.

Project	Units	Completion (planned)	Rental area in m² (planned)	Expected rental income p.a. (EUR million)
Lübeck, Lise-Meitner-Weg/Maria-Mitchel-Straße	187	-	3,830	Open
Total	**187**		**3,830**	

Projects under construction as at 31 December 2014

b. Completed YOUNIQ projects

The YOUNIQ Group either holds the properties it has developed in its own portfolio or manages these on behalf of third parties. A breakdown of projects completed as at 31 December 2014 is presented below.

Own portfolio

In total, the YOUNIQ Group held four properties with 1,247 apartments and a rental area of 26,140 m² in its own portfolio as at 31 December 2014. The Bayreuth project was transferred to the company's own portfolio following its completion in the first quarter of the past financial year and has been almost fully let since the third quarter of 2014. The project company for the Frankfurt-Riedberg II property was transferred to the buyer as part of a share deal in the second quarter of 2014. The Frankfurt-Riedberg II property has therefore been reported in the third-party portfolio since the report on the first half of 2014. The property is still managed by YOUNIQ AG under the YOUNIQ brand.

Project	Units	Occupancy rate in % (31 Dec. 2014)	Rental area in m²	Planned rental income p.a. (EUR million) when fully let
Frankfurt-Riedberg I, Altenhöferallee 30	232	100.0	5,160	1.1
Mainz, Wallstraße 31-37	392	98.2	7,689	1.7
Potsdam, Kiepenheuerallee	387	83.2	8,084	1.4
Bayreuth, Bismarckstraße 43	236	99.1	5,207	0.8
Total	**1,247**		**26,140**	

Properties held in own portfolio as at 31 December 2014

Third-party portfolio

As at 31 December 2014, the YOUNIQ Group was responsible for the management of ten properties in the third-party portfolio, with 1,272 apartment units and a rental area of 32,206 m².

The Frankfurt-Riedberg II property has been in the third-party portfolio since the project company was transferred to the buyer as part of a share deal. The property management agreement for the property on Berzeliusstraße in Munich, which was sold to an investor in the third quarter of 2013 following its completion, was terminated by mutual agreement as at 31 December 2014.

Project	Completion	Units	Rental area in m²
Leipzig, Paul-List-Straße 24 u. 26	May 2010	90	3,355
Leipzig, Querstraße 15-17	December 2010	90	2,648
Greifswald, Mittelstr. 12/Scharnhorststraße 2	June 2009	176	4,890
Karlsruhe, Degenfeldstraße	February 2012	377	9,002
Leipzig, Schützenstraße 2a	June 2012	76	2,361
Munich, Schleißheimer Straße 323	December 2012	80	1,598
Munich, Berzeliusstraße	September 2013	123	2,567
Frankfurt-Riedberg II, Altenhöferallee 70	November 2013	260	5,785
Total		**1,272**	**32,206**

Properties held in third-party portfolio as of 31 December 2014

II. RENTING AND TRADING REAL ESTATE

The portfolio in the "Renting and Trading Real Estate" segment comprised properties with a carrying amount of approximately EUR 3.6 million as at 31 December 2014. Of these, sales with a carrying amount of approximately EUR 0.5 million were notarised by the date as at which the statement of financial position was prepared, hence a residual carrying amount of approximately EUR 3.1 million remains after these disposals. The transfer of rights and liabilities and the disposal of these properties are expected to take place in the coming months. Efforts to sell the remaining properties are underway.

III. PROJECT DEVELOPMENT

The YOUNIQ Group no longer undertook projects in the "Project Development" area as of 31 December 2014. Realised projects are currently undergoing commercial settlement or are in the warranty and elimination of defects phase.

1.1.5 Key figures for Group management

The YOUNIQ Group is managed using results-oriented key figures. The most important key figures include the equity ratio, consolidated profit/loss for the period, net operating income, rental income and vacancy rates.

In addition, key figures relating to the capital structure are also used as a management and monitoring tool. For further information, please refer to the notes to the consolidated financial statements (section 8.7 – Capital management). The corporate governance statement can be found in the corporate governance report to be published, starting on page 12.

YOUNIQ
AKTIENGESELLSCHAFT

2. ECONOMIC REPORT

2.1 GENERAL ECONOMIC AND SECTOR-SPECIFIC CONDITIONS

2.1.1 General economic and sector-specific environment

I. GENERAL ECONOMIC DEVELOPMENT

According to the International Monetary Fund (IMF), the global economy has experienced a slowdown over the past months. Despite the low oil price, the growth forecast for 2015 was thus adjusted downward by 0.3 percentage points to 3.5% (2016: 3.7%) in January compared to the last publication in October 2014. Among the reasons for this, the IMF cites the decline in investments and weaker long-term prospects.[1]

In the fourth quarter of 2014, growth in the eurozone was also somewhat weaker than anticipated, and for this reason the economic outlook for the whole of the single currency area was lowered to 1.2% (-0.2 percentage points) in the current year and 1.4% (-0.3 percentage points) in 2016. The IMF sees the stagnation and low inflation in the eurozone as a cause for concern. For Germany, the IMF is forecasting growth of 1.3% this year and 1.5% in 2016.[2]

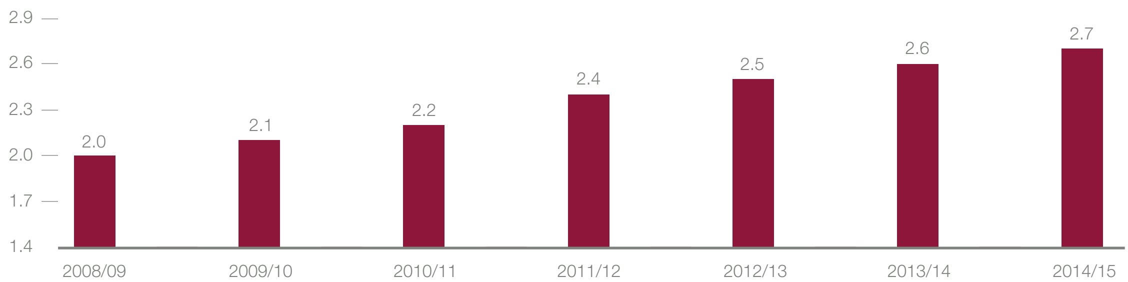
The German economy surprised observers with a rapid recovery from the economic slowdown. Its price-adjusted gross domestic product (GDP) increased by 1.5% in 2014, a higher growth rate than in the previous year and also above the average for the past ten years of 1.2%. Viewed over the past few years, GDP growth was much lower (0.1% in 2013 and 0.4% in 2012).[3] This development was partly due to positive consumer sentiment, which was boosted by favourable income and employment prospects and falling energy prices.[4]

Despite the low-interest policy still pursued by the European Central Bank (ECB), the inflation rate in Germany fell from 1.5% in 2013 to 0.9% in 2014.[5] In 2014, the ECB reduced the key interest rate from 0.15% to 0.05% in two steps in June and September in order to strengthen the stagnating economy in the eurozone.[6] The favourable interest rate environment had a positive impact on investments in real estate. According to current data from the Federal Statistical Office (Destatis), the number of construction permits for apartments in Germany rose by 5.2% year-on-year in the first nine months of 2014.[7]

II. DEVELOPMENT OF STUDENT NUMBERS

The number of students at German universities increased slightly in 2014 as against 2013. According to data from Destatis, approximately 2.7 million students were enrolled at universities in the 2014/2015 winter semester, 3.1% more than in the previous winter semester. This increase was driven by the demographic development, the trend towards higher qualifications and the growing number of foreign students.[8]

Number of students in Germany from 2008/2009



figures for the winter semester in millions

Source: Federal Statistical Office

[1] International Monetary Fund (IMF), World Economic Outlook, January 2015 | [2] International Monetary Fund (IMF), World Economic Outlook, January 2015 | [3] Federal Statistical Office, 15 January 2015 | [4] Bundesbank, monthly report for January 2015 | [5] https://www.destatis.de/DE/ZahlenFakten/GesamtwirtschaftUmwelt/Preise/Verbraucherpreisindizes/Tabellen_/VerbraucherpreiseKategorien.html?cms_gtp=145114_list%253D2%2526145110_slot%253D2&https=1 | [6] http://www.finanzen.net/leitzins/ | [7] https://www.destatis.de/DE/ZahlenFakten/Wirtschaftsbereiche/Bauen/Bautaetigkeit/Bautaetigkeit.html | [8] https://www.destatis.de/DE/ZahlenFakten/GesellschaftStaat/BildungForschungKultur/Hochschulen/Tabellen/StudierendeInsgesamtBundeslaender.html

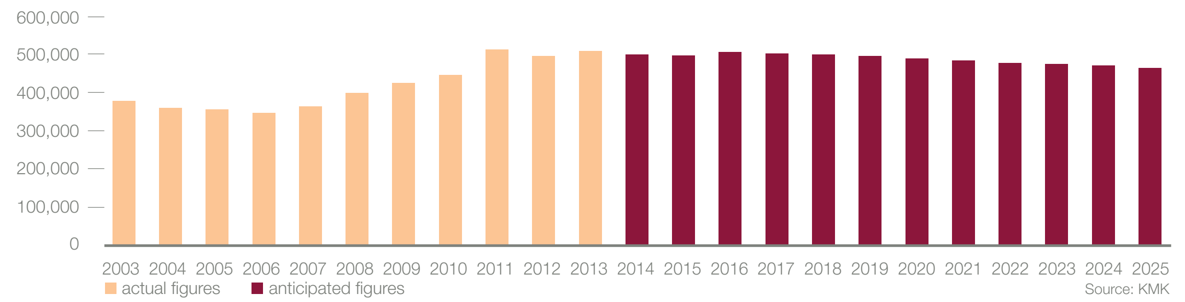
At the level of the federal states, there were structural differences in student numbers in the past year. The highest growth was posted by Lower Saxony, where student numbers were up 8.5%; the comparatively high demand here is attributed to the scrapping of tuition fees. Increases were also recorded in Hesse (+4.5%), Bavaria (+4.2%), North Rhine-Westphalia (+3.6%), Berlin (+3.2%), Baden-Württemberg (+3.0%), Bremen (+1.6%) and Schleswig-Holstein (+1.4%).[9]

By contrast, demand in the former East German states declined, with student numbers for the 2014/2015 winter semester decreasing in Thuringia (-2.1%), Brandenburg (-1.3%), Saxony (-1.3%) and Mecklenburg-Vorpommern (-1.2%). Among the former West German states, only Rhineland-Palatinate posted a slight decline of 0.1%.[10]

In addition to the steady growth in foreign students since 2012/2013[11], the number of new students and thus also the total number of students has been strongly impacted by two extraordinary effects in the past few years. The first of these was the reduction of the number of school years before completing the school-leaving certificate (Abitur) from 13 years to 12, resulting in double the number of school-leavers in some federal states, and the second was the discontinuation of mandatory military service in 2011.[12]

This trend is also expected to continue over the coming decade. Although the Conference of Ministers of Education (KMK) is forecasting a slight decrease in new students as compared to 2012 - 2014 to a level of around 465,000 in 2015, the figures are still considerably higher than in 2010.[13]

Number of new students in the first term in Germany 2003-2025



[9] https://www.destatis.de/DE/ZahlenFakten/GesellschaftStaat/BildungForschungKultur/Hochschulen/Tabellen/StudierendeInsgesamtBundeslaender.html | [11] https://www.destatis.de/DE/ZahlenFakten/GesellschaftStaat/BildungForschungKultur/Hochschulen/Tabellen/StudierendeInsgesamtBundeslaender.html | [12] http://de.statista.com/statistik/daten/studie/222/umfrage/anteil-auslaendischer-studenten-an-hochschulen/ | [13] http://www.kmk.org/statistik/hochschule/statistische-veroeffentlichungen/vorausberechnung-der-studienanfaengerzahlen-2014-bis-2025.html

Further potential for the development of student numbers also arises from Germany's appeal as a university location for foreign students. A study by the German Academic Exchange Service (DAAD), the German Rectors' Conference and the Alexander von Humboldt Foundation identified a further increase in new foreign students in Germany. According to this study, as of mid-2014 approximately 31,000 international cooperations had been agreed by roughly 300 German universities with around 5,000 university partners in 150 countries. Roughly half of these cooperations relate to short-term exchanges for students and university staff as part of the Europe-wide Erasmus programme.[14]

Another influencing factor is the implementation of the 2020 university pact, under which the federal government is providing funds to finance additional university places. Compared to the university pact II, under which around 325,000 new university places were to be promoted by 2015, the 2020 university pact was increased to 624,000 university places in this period. The federal government estimates the additional expenses for this at around EUR 5 billion.[15]

III. SOLVENT TARGET GROUP

The strong financial situation of the student target group is another important positive feature of the student housing market. According to the 20th Social Survey (the 21st will be conducted in summer 2016) by the German Federal Ministry of Education and Research and Deutsches Studentenwerk (German National Association for Student Affairs), students in Germany had an average monthly budget of EUR 864 in 2012, of which they spent an average of EUR 298 on rent and ancillary costs. A study by the research institute BulwienGesa indicates that around 28% of students even have a minimum budget of EUR 900, while 10% have over EUR 1,100 available each month.[16] On this basis, YOUNIQ AG is assuming a target group of around 55% of all students in Germany. It should be noted here that the figures obtained in the survey are average figures that are comparable only to a limited extent with the all-in rental offered by YOUNIQ, which also includes additional costs and services such as ancillary costs, internet, cable TV and furnishings.

IV. DECREASING HOUSING SUPPLY, LOW VACANCY RATE, GROWING DEMAND FOR SINGLE-PERSON APARTMENTS

The private-sector property service provider CBRE calculates the CBRE-empirica vacancy index for Germany. The vacancy rate measures the number of unoccupied, unlet apartments in the Federal Republic of Germany and thus also indirectly reveals something about rental prices. When the number of unoccupied apartments decreases, prices generally tend to rise as a result of demand. CBRE anticipates a nationwide vacancy rate of 3.1% for 2014 (previous year: 3.3%). This means that in 2014 there were around 35,000 fewer apartments available than in the previous year.[17] Munich has the lowest vacancy rate at 0.4%, but cities such as Frankfurt and Hamburg also have a very low proportion of unoccupied apartments of 0.7%. Apartments in these locations are accordingly highly sought-after – including among students.[18]

The number of single-person households in the Federal Republic of Germany has been increasing for years. According to the Federal Statistical Office, approximately 16.2 million people lived alone in 2013,[19] equivalent to 41% of the population. In 2011, around 15.9 million people lived alone. Back in 1992, there were only 11.4 million single-person households. Major cities have a particularly large number of people living in single-person households.[20]

2.1.2 Overall assessment of the economic conditions

The market for student residences in the Federal Republic of Germany is characterised by an attractive combination of extremely short supply in some cases, growing demand for single-person apartments and low interest rates that are favourable to investment. At the same time, competition for the scarce supply of housing is intensifying, particularly in densely populated areas: Students, pensioners, career starters and weekend commuters are all competing for one- and two-room apartments. This situation favours the involvement of project developers in this market.

Nevertheless, the generally positive market environment also results in challenges on the property market. The low interest rates may lead to increasing demand for suitable building plots and thus to rising land prices. YOUNIQ AG believes it

[14] https://www.daad.de/presse/pressemitteilungen/de/32729-deutsche-hochschulen-schaerfen-ihr-internationales-profil/| [15] http://www.bmbf.de/de/6142.php
[16] http://www.bulwiengesa.de/fileadmin/user_upload/PDFfiles/Pressenotizen/PR2012/2012_BulwienGesa_MakroScoring_Kompetenz_Studentenwohnen.pdf |
[17] http://www.empirica-institut.de/kufa/PM_CEL_2014.pdf | [18] http://www.empirica-institut.de/kufa/PM_CEL_2014.pdf | [19] https://www.destatis.de/DE/ZahlenFakten/GesellschaftStaat/Bevoelkerung/HaushalteFamilien/Tabellen/Haushaltsgroesse.html | [20] http://www.engelvoelkers.com/de/blog/2014/singlewohnungen-im-trend/

is in a good position in this dynamic market environment to exploit any market opportunities that arise. On this basis, the Management Board expects economic conditions to develop positively overall in 2015.

2.2 BUSINESS PERFORMANCE

2.2.1 YOUNIQ Group

I. RESULTS OF OPERATIONS, NET ASSETS AND FINANCIAL POSITION

In line with planning, the YOUNIQ Group closed the 2014 financial year with a negative result. In total, the YOUNIQ Group generated a consolidated net loss of kEUR 6,198 in the 2014 financial year (previous year: kEUR 54,082), which was kEUR 1,198 higher than the consolidated net loss of kEUR 5,000 that had been planned in the previous year. However, approximately kEUR 1,023 of this total is attributable to the change in the majority shareholder. As a result of this event in the shareholder structure of YOUNIQ AG, the tax loss carryfowards that existed prior to the change in shareholder were lost in their entirety and costs for consulting services were also incurred (including for legally prescribed opinions of the Management Board and the Supervisory Board in the context of the public mandatory offer).

kEUR 3,013 of the consolidated net loss for the 2014 financial year was attributable to a loss by discontinued operations (previous year: kEUR 13,326) and kEUR 3,185 to a loss in continuing operations (previous year: kEUR 40,755).

Business activities in discontinued operations continued to focus on selling off and transferring the remaining property in the “Renting and Trading Real Estate” segment in the 2014 financial year. In total, this segment contributed a loss of kEUR 1,422 to the consolidated net loss due to failures to cover costs in rental business, which were reflected in net operating income, and negative tax effects. The “Project Development” business area was completely wound up in the 2014 financial year. The empty companies in this business area were subsequently merged with AF Verwaltungs GmbH, a company established specifically for this purpose in the “Renting and Trading Real Estate” segment, as part of the simplification of the Group structure. Furthermore, personnel and administrative expenses were also still assigned to discontinued operations. Overall, the lower negative result as against the previous year is due to the progress in winding up the two discontinued segments and the warranty risks that were already taken into account in previous years.

As was forecast in last year’s guidance, a positive result was not generated in continuing operations in the 2014 financial year. The main reasons for the negative earnings trend were as follows:

- Losses from changes in the market value of investment property (kEUR 1,228; previous year: kEUR 17,136). The losses result essentially from the lower carrying amount for the student residence in Potsdam (down kEUR 1,265) as the third-party experts took the lower occupancy rates and rent estimates compared to the original planning into account in the measurement of this property. Furthermore, a write-down on the undeveloped land in Lübeck (kEUR 314) to its estimated fair value was required. By contrast, there was an encouraging increase in the market values of the student residences in Bayreuth (kEUR 99), Mainz (kEUR 158) and Frankfurt am Main (Riedberg I) (kEUR 91) as a result of the excellent letting situation. Not including the increase in the real estate transfer tax rate in Hesse to 6.0% as at 1 August 2014, the market value of the student residence in Frankfurt am Main (Riedberg I), calculated after deducting the transaction costs incurred for a sale (such as estate agent commission and real estate transfer tax), would have been kEUR 299 higher.
- Losses from the sale of real estate assets (kEUR 230; previous year: kEUR 5,900). In addition to the loss from the deconsolidation of TURBO FRA GmbH, these losses mainly related to subsequent costs of sale for real estate sold in the previous year. Property sales in the “YOUNIQ – Student Housing” segment related to a residential property in Berlin (carrying amount: kEUR 8,600) and an apartment in Leipzig (carrying amount: kEUR 90). In each case, the sale price was the carrying amount. Six apartments located in Leipzig were also sold for more than their carrying amount (sale price: kEUR 240) in the “Services” segment. The loss from the deconsolidation of the property company TURBO FRA GmbH (kEUR 128) was offset by income reported in the financial result from the transfer of an interest hedge of TURBO FRA GmbH in the amount of kEUR 300, with the result that, in an overall analysis, the sale of this company resulted in a book profit.

- Net operating income (NOI) (kEUR 4,047; previous year: kEUR -242) that exceeds personnel and administrative expenses (kEUR 3,459; previous year: kEUR 4,394) but has not yet led to a sufficient contribution margin overall due to the year-on-year increase in acceptance and processing fees and the settlement of a one-off property-specific consulting service (kEUR 300). Although personnel and administrative expenses were reduced by around 21% compared to the previous year, high costs for legal and consulting services (in particular costs in connection with the simplification of the Group structure by way of mergers and accretion) and costs in connection with the stock exchange listing of YOUNIQ AG were still incurred.

As in the previous years, this earnings development is ultimately due to the fact that the fixed costs were not covered by the management of student residences in the 2014 financial year. As previously stated in earlier financial reports, the growth targets for operating activities will depend on the acquisition and management of new student accommodation in the core "YOUNIQ – Student Housing" segment moving ahead, though the effects resulting from this may not be reflected in the result of operations of the YOUNIQ Group until sometime later.

Based on the business performance in the 2014 financial year, the key earnings figures for the continuing operations of the YOUNIQ Group are as follows:

Group earnings figures (continuing operations)

in kEUR	2014	2013	Change
Net operating income (NOI) after expensed capital expenditures and write-downs	4,047	(242)	4,288
of which rental income	*8,725*	*8,210*	*515*
Profit/(loss) from the sale of real estate assets	(230)	(5,900)	5,671
Profit/(loss) from changes in valuation of investment property	(1,228)	(17,136)	15,909
Personnel and administrative expenses	(3,459)	(4,394)	935
General selling and marketing expenses	(254)	(281)	27
EBITDA	(1,123)	(27,954)	26,831
Depreciation, amortisation and write-downs	(172)	(1,638)	1,466
EBIT	(1,295)	(29,592)	28,296
Financial result	(2,054)	(2,552)	498
EBT	(3,349)	(32,143)	28,794
Income tax	164	(8,612)	8,776
Consolidated net profit / (loss) for the period	**(3,185)**	**(40,755)**	**37,570**

All components of EBIT and EBT improved as against the previous year, in some cases significantly.

While rental income in the "YOUNIQ – Student Housing" segment (kEUR 4,818; previous year: kEUR 4,371) increased by around 10.2% year on year due to fewer vacancies combined with a greater number of rented apartment units (own portfolio), rental income in the "Services" segment remained virtually constant (kEUR 3,907; previous year: kEUR 3,839). This was due to the fact that the properties in Karlsruhe, Greifswald and Schleissheimer Strasse in Munich, which were leased back as part of the MPC deal, were already fully let in the previous year. However, this rental income (flat rents) is offset by almost the same amount of property-related expenses, essentially resulting from the transfer of the fixed general lease to the MPC fund and operating costs that cannot be passed on. The "YOUNIQ – Student Housing" segment has been affected by the disposal of the student residence in Frankfurt / Main (Riedberg II) since the second quarter of 2014, though this has been more than compensated by initial lettings in the Bayreuth, Potsdam and Mainz properties.

Net operating income (NOI) was positive in the 2014 financial year at kEUR 4,047, in contrast to the previous year (kEUR -242). While the previous year's net operating income was negatively impacted by one-off effects such as the recognition of a provision for anticipated losses from general rental agreements with MPC (kEUR 1,647) and various property-specific consulting expenses and obligations to pay compensation, property-related operating expenses were reduced in the 2014 financial year in spite of the higher rental income. In addition to rental income (kEUR 8,725; previous year: kEUR 8,210), acceptance fees from the initial rental of student accommodation recognised as other property-related income (kEUR 661; previous year: kEUR 481) and the use of infrastructure in this accommodation (e.g. washing machines) contributed to the positive net operating income. Additional income was also generated from the management of student accommodation not owned by the Group ("Services" segment). In addition, there was a non-recurring effect from the settlement of a property-specific consulting service in the amount of kEUR 300 in the financial year.

Nevertheless, this positive net operating income confirms the YOUNIQ Group's business strategy of letting some completed student accommodation for its own account in addition to the development of student accommodation. The above components of other comprehensive income, such as acceptance fees, income from the use of infrastructure and third-party management, will also be available to the YOUNIQ Group in the following financial years, albeit in different amounts.

Personnel and administrative expenses of kEUR 3,459 (previous year: kEUR 4,394) were incurred in the "Services" and "YOUNIQ – Student Housing" segments; kEUR 1,482 (previous year: kEUR 2,077) was incurred by discontinued operations. The decline as against the 2013 financial year is the result of the cost-cutting measures initiated and already communicated. Without the costs caused by the stock exchange listing, personnel and administrative expenses could have been reduced further, which is why at the end of 8 April 2015 YOUNIQ AG requested that its shares be downlisted to the Entry Standard of the Frankfurt Stock Exchange.

The still negative financial result of kEUR 2,054 improved by kEUR 498 year-on-year. This is essentially due to the lower average financing volumes for student residences in the period under review and the sale of an interest hedging instrument. As in the previous year, the bearer bond of kEUR 5,000 (interest rate: 13% p.a.) issued in December 2012 to provide interim financing for project development activities in Potsdam, which has since been extended until 17 June 2015, was recognised as an expense in the amount of kEUR 650 in the financial result.

There were positive effects from income taxes in continuing operations, firstly due to tax refunds ("Services" segment) and secondly as a result of the spinning off of Potsdam and Mainz operations to newly formed partnerships. In tax terms this led to the realisation of hidden reserves with the result that tax carrying amounts (now higher) meant the loss of deferred tax liabilities from measurement differences on these properties ("YOUNIQ – Student Housing" segment). Conversely, deferred tax assets from measurement differences on properties in discontinued operations had been lost due to the sale of the corresponding properties. In addition, all loss carryforwards ceased to exist as a result of the change in the majority shareholder in the fourth quarter of the 2014 financial year, which also led to a loss of deferred tax assets.

Having already discontinued the main activities in the "Project Development" segment, the Management Board pressed ahead with the selling off of all properties in the "Renting and Trading Real Estate" at an accelerated rate. These two segments are therefore still discontinued operations.

Net operating income in the "Project Development" segment (kEUR -39) was negative as the operating costs incurred retroactively were no longer offset by rental income. The empty companies in the "Project Development" segment were subsequently merged with AF Verwaltungs GmbH, a company established specifically for this purpose in the "Renting and Trading Real Estate" segment, as part of the simplification of the Group structure. In the "Renting and Trading Real Estate" segment, failures to cover costs in rental business had a negative impact on earnings. Due to loan repayments from the proceeds of disposals, the financial result from discontinued operations improved from kEUR -1,404 in the previous year to kEUR-137.

The net assets of the YOUNIQ Group were dominated by properties sold off in the "Renting and Trading Real Estate" segment (kEUR 4,580) and the sale of residential property in Berlin (kEUR 8,600) and the deconsolidation of the property company TURBO FRA GmbH (both in the "YOUNIQ – Student Housing" segment) in the 2014 financial year. Overall, the above effects influenced the net assets of the YOUNIQ Group and were therefore also reflected in key figures:

Asset and financial structure	31.12.2014	31.12.2013	Change
Asset structure (non-current/current assets)	1,000.83 %	200.36 %	399.51 %
Ratio of non-current assets to total assets	90,92 %	66,71 %	36,29 %
Ratio of current assets to total assets	9.08 %	33.29 %	-72.71 %
Equity ratio	22.55 %	21.68 %	4.01 %
Asset coverage (ratio of non-current liabilities to non-current assets)	56.06 %	54.60 %	2.67 %
Debt equity ratio I (ratio of financial liabilities to real estate assets)	73.62 %	72.41 %	1.67 %
Debt equity ratio II (ratio of net financial liabilities to real estate assets)	69.85 %	69.65 %	0.29 %
Total assets in kEUR	93,694	125,453	-25.32 %
Real estate assets in kEUR	85,254	114,076	-25.27 %
Current assets in kEUR	8,511	41,767	-79.62 %
Non-current assets in kEUR	85,182	83,686	1.79 %
Equity in kEUR	21,127	27,198	-22.32 %
Non-current liabilities in kEUR	47,750	45,692	4.50 %
Current liabilities in kEUR	24,817	52,562	-52.79 %
Financial liabilities in kEUR	62,763	82,599	-24.02 %
Net financial liabilities in kEUR	59,551	79,453	-25.05 %

The Group's total assets fell by kEUR 31,759 to kEUR 93,694 as against 31 December 2013. This was due to the sales of the above properties, which were offset to only a small extent by additions resulting from further investment in development property in the "YOUNIQ – Student Housing" segment. These two items, including the repayment subsidies granted by the investment bank KfW totalling kEUR 1,130, led to a net decline in financial liabilities of kEUR 19,836.

The reduction in financial liabilities primarily related to current liabilities. This is also in line with the Group's strategy, by which some completed student apartments are owned by the YOUNIQ Group, which will continue to let them for its own account, and are financed on a medium-term to long-term basis.

Group financing is based on equity and debt. The equity ratio rose slightly from 21.68% as at 31 December 2013 to 22.55% as at 31 December 2014, which is mainly due to the reduction in financial liabilities and the decline in total assets as a result, despite the consolidated net loss.

Group-wide financial planning instruments ensure that the future liquidity situation is identified at an early stage, based on implementation of the Group strategy and Group planning process. Regular reporting on the financial and liquidity situation to the Supervisory Board is a key component of the risk management system.

Net cash outflows (kEUR -1,523; previous year: kEUR -17,105) were again generated from operating activities in the 2014 financial year. In addition to personnel and administrative expenses, the net cash outflow from operating activities in particular includes cash outflows arising from the reduction of current liabilities and provisions.

The net cash inflow from investing activities was essentially the result of the sale of the residential property in Berlin and other portfolio properties (totalling kEUR 12,694), which was offset by cash investments in student accommodation (and fittings) held as investment property (kEUR 4,770) and payments in connection with the reversal of sales contracts (MPC deal; kEUR 1,822). The sale of TURBO FRA GmbH has so far resulted in a cash inflow of only kEUR 2,252 as some of the total purchase price (kEUR 250) is still in a notary trust account.

The net cash outflow from financing activities in the 2014 financial year essentially results from the repayment of bank loans (kEUR 7,907) and ongoing interest payments (kEUR 2,145). New medium-term to long-term loans borrowed from banks to finance investments in student accommodation totalled kEUR 2,274. In addition, the majority shareholder Corestate Ben BidCo AG provided a loan of kEUR 750 to YOUNIQ AG in December 2014.

As a result, cash and cash equivalents increased by kEUR 66 in the 2014 financial year (previous year: decrease of kEUR 5,551). Cash and cash equivalents totalled kEUR 3,212 as at 31 December 2014, kEUR 2,368 of which is not subject to restrictions.

There were no defaults on the repayment of loans and interest in the 2014 financial year. The banks also did not report any violations of loan agreements or covenants.

2.2.2. YOUNIQ AG

I. RESULTS OF OPERATIONS, NET ASSETS AND FINANCIAL POSITION

YOUNIQ AG acts almost exclusively as a holding company. In this context, it is responsible in particular for financing the subsidiaries with equity and debt. YOUNIQ AG's own real estate holdings are only of minor significance.

As the YOUNIQ Group developed, the role of YOUNIQ AG was extended such that in addition to securing Group financing it also provides intragroup services for real estate companies. In the 2014 financial year, YOUNIQ AG performed an allocation of personnel and administrative expenses to the subsidiary Youniq Service GmbH for the first time. Not including additional allocations, YOUNIQ AG primarily receives the consideration for the services it performs from profit transfers from subsidiaries.

Contrary to the forecast issued in the previous year, YOUNIQ AG reported a net profit for the 2014 financial year in the amount of kEUR 23 (previous year: net loss for the year of kEUR 30,873). This was attributable to the positive effects on net investment income and costs savings described below.

An overview of the main earnings items is provided in the following table:

Results of operations of YOUNIQ AG in KEUR	2014	2013	Change in net income
Net investment income	1,415	(26,635)	28,050
Net operating income	(1,970)	(6,550)	4,579
Extraordinary result	(488)	(53)	(435)
EBIT	(1,043)	(33,238)	32,195
Financial result	859	2,365	(1,507)
EBT	(184)	(30,872)	30,688
Income tax	207	(0)	207
Net profit for the year (previous year: net loss for the year)	**23**	**(30,873)**	**30,895**

Net investment income improved by kEUR 28,050 to kEUR 1,415 in comparison to the previous year. This improvement was particularly due to the profit distribution of CAMPUS 1. Verwaltung GmbH for 2013 (kEUR 1,125) and the advance profit distribution of AF Marienhöhe GmbH & Co KG (kEUR 131), which were recognised as investment income. The control and profit transfer agreements with subsidiaries resulted in profit transfers of kEUR 192 (previous year: kEUR 37), which were offset by loss assumptions of only kEUR 32 (previous year: kEUR 26,625). The losses assumed in the previous year were attributable to factors including construction cost overruns and subsequent costs (warranties) for invoiced projects, unscheduled write-downs to the lower fair value on properties held as non-current assets and as current assets, and write-downs on receivables in the underlying annual financial statements of the subsidiaries in accordance with commercial law. Expenses of this kind were no longer incurred in the 2014 financial year.

Net operating expenses were down by kEUR 4,579 year-on-year, primarily due to income from cost allocations and property-specific services (kEUR 622) and prior-period income from the reversal of provisions and the reduction of specific valuation allowances for receivables (kEUR 812) combined with a decline in personnel expenses and other operating expenses. The reduced expenses are the result of the cost-cutting measures initiated and already communicated in the previous year.

The financial result was positive again but declined by kEUR 1,507 to kEUR 859. This decline was partly due to the fact that interest-bearing receivables from clearing accounts with subsidiaries decreased as a result of the high loss assumptions in the previous year. Since 1 January 2013, intragroup clearing accounts with subsidiaries have been subject to an interest rate of 5.0% p.a. (for both positive and negative balances). Corresponding current account agreements have been concluded with all subsidiaries.

As in the previous year, the extraordinary expenses in the 2014 financial year were mainly attributable to the disposal of shares in merged companies without granting consideration, which resulted in merger losses for YOUNIQ AG.

Owing to the loss from ordinary activities and the tax groups with subsidiaries, virtually no income taxes were incurred in the 2014 financial year. Instead, YOUNIQ AG received net tax refunds for previous years in the amount of kEUR 207.

Asset structure	31.12.2014	31.12.2013	Change
Equity ratio in %	59.46 %	57.33 %	3.71 %
Asset coverage (ratio of non-current liabilities to non-current assets) in %	57.03 %	19.37 %	194.36 %
Ratio of non-current assets to current assets in %	25.99 %	29.15 %	-10.85 %
Total assets in kEUR	27,641	28,582	-3.29 %
Current assets and prepaid expenses in kEUR	21,939	22,130	-0.86 %
Non-current assets in kEUR	5,702	6,452	-11.62 %
Equity in kEUR	16,435	16,387	0.30 %
Non-current debt capital in kEUR	3,252	1,250	160.15 %
Current debt capital in kEUR	7,954	10,945	-27.33 %

Assets and capital declined by around 3.3% year-on-year.

The slight year-on-year decline in total assets of kEUR 941 is chiefly due to lower financing for subsidiaries (decrease in receivables from affiliated companies of kEUR 2,848) as a result of profit distributions and repayment of liabilities. At the same time, cash in hand and bank balances increased. Other assets include a receivable of kEUR 1,200 from the sale of 94.9% of the shares in AF ATHENA GmbH, which is not yet due.

Primarily due to the lower level of total assets, the equity ratio increased slightly to 59.5% (previous year: 57.3%) and is thus still at a high level.

As at 31 December 2014, 28.8% (previous year: 42.7%) of total capital consists of current liabilities and provisions. In the 2014 financial year, Liechtensteinische Landesbank AG sold the loan, which had been extended in the amount of kEUR 2,500 at that time, to CORESTATE IREI Holding S.A., Luxembourg (change of creditor) effective 20 May 2014. YOUNIQ AG and CORESTATE IREI Holding S.A. then concluded a new loan agreement dated 2 June 2014. Liabilities to banks consequently declined while liabilities to affiliated companies increased in comparison to the previous year.

A condensed version of the cash flow statement (in accordance with DRS 2) is shown below:

Cash flow statement in accordance with DRS 2 for the period from 1 January to 31 December 2014 in kEUR	2014	2013	Change
Net cash inflow / (outflow) from operating activities	(1,801)	(2,846)	1,045
Net cash inflow / (outflow) from investing activities	107	758	(651)
Net cash inflow / (outflow) from financing activities	2,418	(1,588)	4,006
Net change in cash and cash equivalents	724	(3,677)	4,401
Cash and cash equivalents at the beginning of the period	696	4,373	(3,677)
Cash and cash equivalents at the end of the period	1,420	696	724
Change in cash and cash equivalents	724	(3,677)	4,401

The net cash outflow from operating activities is primarily attributable to administrative expenses and personnel expenses. In line with the decline in administrative expenses and personnel expenses, the net cash outflow also decreased in the 2014 financial year.

The positive cash flow from investing activities in the 2014 financial year is mainly due to the sale of the last properties owned by YOUNIQ AG. The cash outflow for property, plant and equipment and intangible assets was only of minor significance.

The net cash inflow from financing activities mainly resulted from loan repayments by subsidiaries (as a result of property sales) and the loan taken out by the majority shareholder Corestate Ben BidCo AG in the amount of kEUR 750 in December 2014. In the previous year, there had been a net cash outflow from financing activities due to the loan liability with Liechtensteinische Landesbank (Switzerland) Ltd., Zurich, Switzerland, to be repaid in the amount of kEUR 1,250 as at 30 June each year, and the repayment of bank loans from the proceeds of property sales.

Although liquidity improved year-on-year (kEUR 1,420; previous year: kEUR 696), it is still at a low level. Not including cash from the loan from Corestate Ben BidCo AG, the level of liquidity would have been virtually unchanged year-on-year, reflecting the fact that in addition to financing the company's own operating activities, further financing was also required at various subsidiaries.

Based on YOUNIQ AG's operating activities and in line with expectations, the 2014 financial year was once again dominated by profit transfers from subsidiaries and personnel, administrative and selling expenses. Not including the previous year's negative one-off effects and owing to initial income from cost allocations and property-specific services and profit distributions, YOUNIQ AG closed the 2014 financial year with a gratifying net profit for the year of kEUR 23 (after a net loss for the year of kEUR 30,873 in the previous year).

2.2.3 Overall assessment of the economic situation of YOUNIQ AG

With the adjustment of the YOUNIQ Group's property portfolio that began back in the 2012 financial year, the streamlining of the Group structure and its administration and the planned downlisting of YOUNIQ shares to the Entry Standard of the Frankfurt Stock Exchange, the conditions for further cost savings at YOUNIQ AG have already been established. For this reason, the Management Board is confident that further cost savings will also be implemented in the following financial years.

Based on the current situation, YOUNIQ AG will generate earnings in a range between kEUR -1,000 and kEUR -1,500 in the 2015 financial year.

3. SUPPLEMENTARY REPORT

There were no significant events by the time of the preparation of the consolidated financial statements as at 31 December 2014 – with the exception of those presented below – with a material impact on the net assets, financial position and results of operations of the YOUNIQ Group and YOUNIQ AG:

- A Group company from the "Renting and Trading Real Estate" segment sold a total of 23 parking spaces in Erlangen at a price of EUR 8,000 per parking space by the time of the preparation of the 2014 consolidated financial statements.
- On 9 March 2015, the majority shareholder Corestate Ben BidCo AG published a voluntary public purchase offer (cash offer) in accordance with the German Securities Acquisition and Takeover Act (WpÜG) with an announcement online at www.youniq-group.de in German and by making copies available for distribution free of charge within Germany. The cash offer by Corestate Ben BidCo AG to the shareholders of YOUNIQ AG to acquire their ordinary no-par-value bearer shares in YOUNIQ AG in exchange for a cash payment of EUR 1.40 per share will end on 13 April 2015 (midnight).

4. FORECAST, RISKS AND OPPORTUNITIES REPORT

4.1 FORECAST REPORT

The Management Board of YOUNIQ AG expects the company to develop more positively in the 2015 financial year. From the current perspective, the Group is to be streamlined further with an operational focus on the business of managing and maintaining student housing properties. A consolidated net profit before interest and taxes (EBIT) of between kEUR 1,000 and kEUR 1,500 is anticipated for 2015. According to current planning, a low consolidated net loss after interest and taxes in a range between kEUR 0 and kEUR 500 is anticipated. At the level of the individual company YOUNIQ AG, a net loss for the year of between kEUR 1,000 and kEUR 1,500 is forecast.

YOUNIQ is continuing to benefit from a very high occupancy rate of close to 100% for the student residences. The student residence in Bayreuth that was completed in 2014 is now also almost fully let. In view of the market environment for student housing with high demand throughout Germany and particularly at the attractive university locations where YOUNIQ operates, the letting situation here is not expected to deteriorate. This should also be seen in light of the fact that a growing number of foreign students are beginning their university studies in Germany.

The main cost-cutting and optimisation measures have been initiated and further measures will take effect in 2015. In the medium term, the Management Board is confident that financing for the YOUNIQ Group will benefit from the low level of interest rates via reduced interest costs. However, the low-interest environment is also a key driver of the continuing upturn on the German real estate market, which is making potential expansion more difficult due to rising land prices at suitable locations.

The Management Board of YOUNIQ AG is currently in the evaluation phase with regard to possible new projects in the "YOUNIQ – Student Housing" segment, with implementation of the Lübeck project – among other locations – also coming under discussion. The possibility of taking up new debt or raising new equity is also being considered in this context.

The YOUNIQ Group anticipates positive cash flow from continuing operations in the 2015 financial year. Discontinued operations are ultimately expected to have a negative impact on cash flow in 2015. Subject to successful refinancing of the Potsdam bond and the prolongation and increase of bank loans, the company considers liquidity to be assured and also refers to the information in section 4.2.1 / II / a “Risks to the company’s continued existence” in this context. Provided the existing portfolio remains the same, the YOUNIQ Group anticipates rental income of around kEUR 8,000 in continuing operations and net operating income (NOI) of approximately kEUR 5,000 in the 2015 financial year. Significant sales and earnings contributions are no longer expected from discontinued operations.

4.2 RISKS AND OPPORTUNITIES REPORT

4.2.1 Risk report

As part of its value-oriented Group management, YOUNIQ AG uses systematic risk management to ensure that risks are identified at an early stage and evaluated and that risk exposure is minimised. The company’s strategy is geared towards sustainable growth and an increase in its enterprise value and thus also the enterprise value of all of its subsidiaries. It is important to be prepared for the possibility that known or new risks may arise unexpectedly at any time. These risks must be monitored. Risk management is therefore a key element of YOUNIQ AG’s operating activities that is continuously monitored by the Management Board and adapted to new developments.

The internal control system for financial reporting represents an important element of risk management. The financial reporting process at YOUNIQ AG passes through a control mechanism consisting of multiple stages. This also involves using external specialists who are subject to professional quality requirements in some cases. The interim and annual financial statements in accordance with German commercial law are prepared internally by YOUNIQ AG’s accounting department using software from DATEV eG, Nuremberg. The first phase of preparation is supervised by the management of the accounting department (in terms of technical aspects) and by the Management Board of YOUNIQ AG (in terms of technical aspects and the schedule). Actual taxes are calculated by the management of the accounting department. All entries that do not relate to routine cases are approved by the management of the accounting department and/or the Management Board of YOUNIQ AG. The finished interim and annual financial statements are then loaded in the consolidation software COGNOS from IBM via a manual interface by DHPG Stössel, Schmitz & Blattner GmbH Steuerberatungsgesellschaft (DHPG), Frankfurt am Main. DHPG performs extensive analytical audit procedures on site in Leipzig on the basis of the interim and annual financial statements. In particular, changes in construction activities, income and expense items and financing as against the previous quarter are critically examined and a statement of changes in assets is prepared with regard to all properties. The next step is the document check, in which unusual items such as derivatives, additions and disposals of properties or their measurement are examined in more detail in terms of their cause and amount.

The analyses and reviews performed by DHPG are documented in a validation file. All separate financial statements are then discussed in detail with the Management Board. Following the final approval of the separate financial statements by the Management Board, DHPG prepares the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as applicable in the EU. This particularly includes the reconciliation of the financial statements in accordance with commercial law to IFRS and the preparation/continuation of all consolidation entries.

The first draft of the consolidated financial statements, consisting of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, the statement of cash flows and the notes to the consolidated financial statements, is discussed with the Management Board. In particular, the company result and deviation analyses are discussed critically in this context. The consolidated financial statements are definitively approved by the Management Board. In the final step, the Group management report is prepared by YOUNIQ AG.

I. SIGNIFICANT INDIVIDUAL RISKS

In line with the Supervisory Board's requirements, the Management Board has identified the following risk factors that are significantly related to the company's operating activities:

- Risks to the company's continued existence
- Project selection risk
- Construction and renovation risks
- Portfolio risks
- Marketing risks
- Operational risks, particularly dependence on personnel and IT
- Liability and legal risks
- Borrowing risks
- Interest rate risk
- Risks arising from changes in legal and economic conditions.

In addition to identifying and defining risks, the Management Board has also developed tools and integrated them in the company's business processes. The defined risks are identified using the following tools, and measures to counteract the risks are also derived

- Liquidity planning (short-term and medium-term)
- Corporate business plan
- Due diligence for acquisitions, involving external experts and incorporating the specialist knowledge of Youniq Service GmbH as the future portfolio manager at an early stage
- Financial derivatives
- Legal and tax consulting
- esiBau (end-to-end project management software)
- Valuations by internationally recognised valuation companies
- Portfolio management by in-house property management department
- Loan database
- Weekly letting reports
- Monthly analysis of outstanding receivables and timely valuation and accounting adjustment

The Management Board is continuously kept informed about all events and developments that affect the Group's net assets, financial position and results of operations. For example, there are regular status meetings on the topics of liquidity planning/development, acquisitions, portfolio development (letting and sales), accounting and project development. In addition to these meetings, the Management Board is provided with standardised reports (three times a week) including tenant lists and letting reports. Each segment of the Group is managed under the primary responsibility of one executive. These executives report directly to the Management Board. Based on the tools implemented, the Management Board is able to react to the development of significant key figures at an early stage and pro-actively take measures in order to avoid potential risks.

In accordance with art. 91 paragraph 2 of the German Stock Corporation Act (AktG), YOUNIQ AG has documented its risk management system in a comprehensive risk management manual.

II. RISK MANAGEMENT SYSTEM OF THE YOUNIQ GROUP AND YOUNIQ AG

Owing to the current Group structure (control and profit transfer agreements between YOUNIQ AG and various subsidiaries) and the contingent liabilities assumed for the subsidiaries (guarantees provided by YOUNIQ AG), YOUNIQ AG is subject to the same risks as the operating subsidiaries. The risk management system is designed for the entire Group and therefore includes all subsidiaries. The overarching risk management system, which is designed in line with the size of the Group, is geared towards the unpredictable nature of developments on the financial and property markets and aims to minimise potential negative effects on the Group's net assets, financial position and results of operations.

In line with the Supervisory Board's requirements, the Management Board has identified the following risk factors that are significantly related to the company's operating activities.

a. Risks to the company's continued existence

One factor that can be seen as a significant risk to the continued existence of the parent company and its subsidiaries is a liquidity shortage. The liquidity requirements set out in the short- and medium-term financial and liquidity planning are subject to continuous monitoring by the Management Board. A liquidity shortage could arise if the planned prolongation and increase of bank loans (at the property companies) does not materialise. The YOUNIQ Group expects this to result in cash inflows in the 2015 financial year that are to be used to repay the bond of kEUR 5,000 that was issued by Youniq Potsdam GmbH and matures on 17 June 2015. In addition, this liquidity injection is expected to ensure a stable and sufficient liquidity position for the YOUNIQ Group. If it is not possible to prolong and increase the bank loans despite positive indications from banks, and if in this case no other equity or debt is provided by the majority shareholder or other investors, then the YOUNIQ Group would only be able to cover the liquidity gap by selling student residences.

b. Project selection risk

In order for the company's business operations to be successful, the company must be able to acquire suitable properties and land. Location, building fabric and development and sales potential are key criteria when selecting a property. Because YOUNIQ AG competes with other interested parties, this may result in a scarcity of land and properties that meet the company's yield requirements.

c. Construction and renovation risks

When implementing the company's own development projects, risks may arise particularly as a result of higher costs and/or unforeseen additional expenses for renovation. In addition, risks may arise from a lack of construction permits when constructing new buildings. YOUNIQ AG minimises this risk by only purchasing land that is already designated as building land and for which the building rights have largely been clarified. In the case of land that is classified as development land, for example, YOUNIQ AG refrains from making purchases or has a contractually agreed right to rescind the purchase agreement if a construction permit is not granted. Construction cost risks particularly relate to generally increasing construction costs, incorrectly calculated construction costs, the wrong contract award policy or inadequately formulated contracts, and subsequent construction costs based on experience from the ongoing management of existing properties that are caused by the implementation of adjusted technical or construction standards.

d. Portfolio risks

In the case of YOUNIQ AG's portfolio properties, external factors such as deteriorating transport connections or social structure and construction work in the immediate vicinity may give rise to risks that reduce rental income or the sales and market value of the property.

In addition, maintenance and other property management costs could turn out to be higher than anticipated. YOUNIQ AG reviews the development of all receivables relating to the Group on an ongoing basis and takes short-term steps where necessary to secure payments from debtors and reduce potential probabilities of default and defaults. The dunning procedure for receivables from rental agreements is handled via the property managers in some cases. The default risk in relation to letting is also minimised by concluding rental agreements with the parents of the students and by checking tenant credit ratings (letting only after prior credit check).

e. Marketing risks

With regard to marketing and selling properties, risks may arise if the planned sales period has to be extended. Additional risks may arise if the calculated sale prices cannot be generated owing to changes that were not foreseeable at the time of the acquisition, or if there are changes in tax-related, political or other market conditions. However, YOUNIQ AG monitors these negative effects and risks and acts accordingly. Default risks in connection with the settlement of land and apartment sales are minimised by the usual hedging instruments in contract execution. Thereafter, legal ownership is not transferred until the full payment has been received.

f. Operational risks, particularly dependence on personnel and IT

The company has deliberately chosen to have only a small employee base. It expects that it will be possible to compensate quickly even for a potential unforeseen loss of a key employee in the company's operations (possibly by using external service providers).

IT operations are supervised and ensured with the support of an external service provider. Active monitoring with detailed checks of key IT components, maintenance work and general monitoring of all servers, storage systems, hardware for other infrastructure and the internal network, including all locations from Youniq Service GmbH's operations, is carried out on a regular basis. The company's IT systems that are crucial to its operating processes are also protected internally with corresponding emergency measures and data backup measures carried out at night, so that operations can be continued within short response times in the event of data loss. In addition to a backup-to-disc process on working days, "external" data backup to magnetic tapes is also performed on a weekly basis. This is stored is a safe with restricted access. In an emergency, these backups can be used to restore IT operations to their original condition within a maximum of 48 hours, with corresponding preparation and follow-up work.

Worst case scenarios such as fire, extensive water damage or damage from collapse are factored in here. This scenario can also be applied to individual servers, for example in the event of serious hardware failure. In addition to the data backup measures described above, the company also performs a disaster recovery test at regular intervals and at least once a year. This may take place at a weekend, for example, and involves testing the complete failure and subsequent recovery for all IT systems that are crucial to operating business, including any necessary disaster recovery. All related test procedures such as failure, UPS, load and data recovery tests are documented.

g. Liability and legal risks

The company is exposed to the risk that the land it owns may be encumbered with contamination or soil pollution and that public authorities or private-sector third parties may need to be called in to eliminate the contamination. Excluding such liability is legally possible for the company only to a limited extent. The company counters potential negative effects by applying its extensive market knowledge when acquiring properties and preparing appraisals or having them prepared where necessary. In addition to liability risks, there are also legal and litigation risks that could arise as a result of conflicts between contracting parties. Court cases are usually associated with high legal and consulting costs. YOUNIQ AG is advised on legal and tax matters by internationally renowned service providers. This risk primarily relates to the discontinued "Renting and Trading Real Estate" and "Project Development" business areas.

h. Risks involved in raising and extending equity and debt

For the implementation of its business concept, the financing of its property portfolio and its growth strategy, the company needs extensive funds to systematically continue the planned project developments. In part, the company is obliged to raise the funds in advance, while returns of funds in the form of advance payments by buyers/clients or the final purchase price payments can only be collected successively according to the progress of the projects (or according to the German Real Estate Agent and Commercial Construction Industry Ordinance – MaBV) in accordance with mandatory legal provisions.

In this case, the company has borrowed funds for the purpose of interim financing. There is therefore a risk that the procurement or extension of borrowing via banks will in future not be possible in due time or only at unfavourable conditions. There is also a risk that customers will make (purchase price) payments later than planned. If the corresponding raising of borrowed funds is impossible or possible only at inadequate conditions in future, or if debt financing takes longer than the company planned, this could have negative effects on the company's business operations and its financial position. Group-wide financial planning instruments allow the future liquidity requirement to be identified at an early stage, based on the operational implementation of the Group strategy. In addition to the current overview of loans connected with a multi-year repayment plan, the Group also operates a liquidity plan on a rolling monthly basis for a planning period of twelve months. The planning systems model the entire scope of consolidations.

Please also refer to the information provided in section 4.2/ I./a. "Risks to the company's continued existence".

i. Interest rate risk

Interest rate risks arise due to fluctuations of interest rates caused by the market. Firstly, they affect the level of future interest expenses in the YOUNIQ Group. Secondly, they can influence the market value of financial instruments. The aim is to minimise the risk of fluctuating future interest expenses. Some bank liabilities are agreed at fixed interest rates in the YOUNIQ Group to allow the effects of interest rate fluctuations to be estimated in the medium term. Nevertheless, there is a risk of disadvantageous adjustments to conditions at the end of the fixed-interest period.

In the case of variable-rate (loan) liabilities, there is an interest rate risk insofar as the interest rate for the loans raised is usually linked to the EURIBOR reference rate (European Interbank Offered Rate). To manage the interest rate risk arising from floating-rate interest on borrowed funds, the Management Board will make selective use of swaps (payer swaps) or similar instruments (swaptions and caps) when it considers this to be necessary and when it is required to do so under loan agreements. In addition, the relevant interest markets are analysed and monitored on a regular basis.

j. Risks arising from changes in conditions

The property market is dependent on tax and legal conditions that influence the decision-making criteria of potential property buyers. YOUNIQ AG expects its products to remain attractive in the future. Nevertheless, changes in the general conditions, particularly the tax treatment of residential property, could have a negative impact on demand for property and property investment products.

III. OVERALL ASSESSMENT OF THE RISK SITUATION

In view of the overall development of the YOUNIQ Group, the risks currently appear to be known and manageable. YOUNIQ AG uses proven systems and processes in the area of risk management and develops these further.

If the bank loans are not prolonged and increased, and if in this case no other equity or debt is provided by the majority shareholder or other investors, then the liquidity gap resulting from the necessary repayment of the bond of kEUR 5,000 issued by Youniq Potsdam GmbH and from the repayment of the loans repayable in 2015 and 2016 and the ongoing negative cash flows could only be covered by selling student residences. However, given that the talks with banks are developing positively and the majority shareholder has also positioned itself for long-term collaboration with the company, the Management Board of YOUNIQ AG considers the risk situation to be manageable.

4.2.2 Opportunities of future development

Although the global economy is currently losing momentum slightly, the German market for student housing is continuing to develop positively. In 2014, almost 500,000 people began university studies in Germany, a figure that was particularly attributable to the trend towards higher qualifications, the demographic development and the growing number of foreign students The total number of students reached a new record high of 2.7 million.

In this context, a consistently high number of new students is also anticipated in the coming years. According to official data from the Federal Statistical Office, the proportion of school-leavers with university entrance qualifications in Germany will continue to increase in the future. In its current projection of the numbers of new students up to 2025, the Conference of Ministers of Education (KMK) anticipates only a slight decrease in new students to around 465,000 per year. The consistently high student numbers are consequently having a positive impact on demand for housing, resulting in attractive market opportunities for YOUNIQ AG. Risks in connection with the selection of suitable projects and with construction and renovation are described in the risk report.

Furthermore, Germany's appeal as a university location among foreign students is increasing steadily. This is attributable to the positive reputation of German universities and the implementation of bachelor's and master's degree courses as part of the Bologna Process to create a uniform European higher education area. According to a study by the German Academic Exchange Service (DAAD), 16.1% of new students, 8.2% of the total number of students and 7.5% of graduates in 2012 were foreign students. DAAD expects the proportion of foreign students in relation to the total number of students to continue to rise. In addition to steadily rising student numbers, YOUNIQ AG is also observing an increasing scarcity of high-quality housing for its target group. This is reflected in the high utilisation and long waiting lists for apartments at the existing locations.

Studies indicate that there is high demand for housing at several other university locations in Germany that have not yet been tapped by YOUNIQ. This is partly due to the concentration of students at university locations in densely populated areas. The property service provider CBRE estimates the requirement for high-quality single-person apartments for students throughout Germany at around 40,000. This gives rise to attractive potential for private-sector providers in the student housing segment, meaning that significant vacancy rates and thus falling rental income are not expected in the coming years.

Furthermore, the financial situation of the student target group in Germany is sound. The 20th Social Survey by the German Federal Ministry of Education and Research and Deutsches Studentenwerk (German National Association for Student Affairs) showed that students had a monthly budget of approximately EUR 864, of which they spent around EUR 298 on rent and ancillary costs. This study indicates a potential target group for YOUNIQ of more than a million students. In relation to the current portfolio of student apartments, YOUNIQ therefore believes that there is considerable growth potential in Germany. In addition, the macroeconomic environment is having a positive impact on the real estate sector. Owing to the historically low interest rates within the eurozone, real estate is increasingly becoming a focus of private and institutional investors as an alternative asset class. The risks in connection with interest rates are described in the risk report. Based on the increased demand and the attractive market development in the "YOUNIQ – Student Housing" segment, YOUNIQ sees an opportunity for this segment to become more firmly established as an asset class. This may also have a positive effect on the value of the properties. Due to its leading position as a provider of student housing in Germany and the continued comfortable competitive situation with a low number of competitors, the company therefore believes that there are still good growth prospects overall in its core business area. Profitability is to be increased by way of further reductions in fixed costs and optimisation of the existing student residences.

With the establishment of Youniq Service GmbH, YOUNIQ has gained the unique selling point that it can independently manage the properties held in its own portfolio and in the third-party portfolio The company sees this as a significant competitive advantage for several reasons. For example, Youniq Service GmbH's marketing and property management experience is already incorporated when due diligence is performed for acquisitions. This ensures that the assumptions made with regard to the marketing and management of properties to be acquired are underpinned by our in-house market experience and are therefore realistic. The requirements and wishes of our customers are also incorporated in project development already via the experience of our in-house property managers, which helps to reduce future cost increases due to subsequent adjustments while also increasing the sustainability of the properties we develop and market. The high occupancy rates and low rent defaults provide convincing confirmation of this strategic orientation.

5. DISCLOSURES ACCORDING TO ART. 289 PARAGRAPH 4 HGB AND ART. 315 PARAGRAPH 4 HGB

5.1 COMPOSITION OF THE SUBSCRIBED CAPITAL

As at 31 December 2014, the share capital of YOUNIQ AG amounts to EUR 10,400,000 and consists of 10,400,000 ordinary no-par-value bearer shares.

5.2 RESTRICTIONS AFFECTING VOTING RIGHTS OR THE TRANSFER OF SHARES

There are no restrictions on voting rights and/or the transfer of shares.

5.3 SHAREHOLDINGS EXCEEDING 10% OF VOTING RIGHTS

Based on the publications available to the company in accordance with 23 of the German Securities Acquisition and Takeover Act (WpÜG) due to the public mandatory offer made by Corestate Ben BidCo AG in the 2014 financial year, the existing shareholdings exceeding 10% of voting rights are as follows:

CORESTATE IREI Holding S.A., Luxembourg, Luxembourg, holds a total of 83.50% of the voting rights (8,684,475 voting rights) in YOUNIQ AG indirectly via Corestate Ben BidCo AG.

Corestate Ben BidCo AG, Frankfurt am Main, Germany, holds 83.50% of the voting rights (8,684,475 voting rights) in YOUNIQ AG directly.

5.4 SHARES WITH SPECIAL RIGHTS

There are no YOUNIQ AG shares with special rights.

5.5 TYPE OF VOTING RIGHTS CONTROL IN THE CASE OF SHAREHOLDINGS OF EMPLOYEES WHO DO NOT EXERCISE THEIR CONTROL RIGHTS DIRECTLY

No employees who do not exercise their control rights directly have shareholdings in the company.

5.6 APPOINTMENT AND DISMISSAL OF MANAGEMENT BOARD MEMBERS / AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In accordance with articles 76 to 85 of the German Stock Corporation Act (AktG) and art. 6 paragraph 1 of the articles of association of YOUNIQ AG, the Management Board may consist of one or more persons. The Supervisory Board appoints the members of the Management Board and determines the number of members. The Supervisory Board can appoint a Management Board member as the chair or spokesperson of the Management Board and other members of the Management Board as deputy chairs or deputy spokespersons.

The legal provisions under articles 179 to 181 AktG apply with regard to amendments to the articles of association. In accordance with art. 17 of the articles of association of YOUNIQ AG, the Supervisory Board is authorised to make amendments and additions to the articles of association that only affect the wording at any time.

5.7 MANAGEMENT BOARD'S AUTHORITY TO ISSUE SHARES

5.7.1 Authorised capital (art. 4 paragraph 4 of the articles of association of YOUNIQ AG):

By resolution of the Annual General Meeting on 10 August 2011, the Management Board was authorised, with the permission of the Supervisory Board, to increase the company's share capital by up to EUR 5,200,000 (50% of the current share capital) by issuing new no-par-value bearer shares on one or more occasions on or before 9 August 2016 (authorised capital 2011). The new shares can be issued in exchange for cash contributions or contributions in kind. The new shares are to be offered to the shareholders for subscription. An indirect subscription right as defined in art. 186 paragraph 5 sentence 1 AktG is also sufficient in this context. The Management Board has been authorised, subject to the approval of the Supervisory Board, to disapply the shareholders' statutory subscription rights in certain cases when issuing the new shares. The Management Board has also been authorised, subject to the approval of the Supervisory Board, to determine further details of the implementation of capital increases from the authorised capital 2011.

5.7.2 Contingent capital 2011/I (art. 4 paragraph 5 of the articles of association of YOUNIQ AG):

By resolution of the Annual General Meeting of 10 August 2011, the share capital was also contingently increased by up to EUR 4,680,000 through the issue of up to 4,680,000 new, no-par-value bearer shares (contingent capital 2011/I). The contingent capital increase is performed only insofar as holders or creditors of convertible bonds, bonds with warrants, profit participation certificates and/or income bonds (or combinations of these instruments) (together referred to as “the bonds”) issued or guaranteed by YOUNIQ AG or its Group companies in exchange for cash from 10 August 2011 to 9 August 2016 (inclusive) on the basis of the Annual General Meeting’s authorising resolution utilise their conversion rights or options or corresponding conversion or option obligations are met and provided no other means of settlement are used to service these rights. The new shares are issued at the conversion price or option price to be determined in accordance with the authorising resolution in each case. The new shares participate in profits starting from the beginning of the financial year in which they are issued. The Management Board is authorised, subject to the approval of the Supervisory Board, to determine further details of the implementation of the contingent capital increase. The Supervisory Board was authorised to amend art. 4 paragraphs 1, 2 and 5 of the company’s articles of association in line with the respective issue of shares from the contingent capital 2011/I.

The shareholders are generally entitled to a subscription right for the bonds. This subscription right can also be granted indirectly in that the bonds are acquired by one or more banks or equivalent companies as defined in art. 186 paragraph 5 sentence 1 of the German Stock Corporation Act with the obligation to offer them to the shareholders for subscription. If bonds are issued by a subordinate Group company, the company must ensure that the statutory subscription rights for its shareholders are granted in accordance with the above sentence. The Management Board has been authorised, subject to the approval of the Supervisory Board, to disapply the shareholders’ subscription rights for the bonds in certain cases.

5.7.3 Contingent capital 2011/II / “YOUNIQ AG share option plan 2011”

An Annual General Meeting resolution of 10 August 2011 authorised the Management Board, with the approval of the Supervisory Board, to establish one or more share option plans with which options to a total of up to 520,000 no-par-value bearer shares of YOUNIQ AG are issued to members of the Management Board and employees of YOUNIQ AG and to members of management and employees of YOUNIQ Group companies on one or more occasions by 9 August 2016.

For the purposes of servicing the options from the “share option plan 2011”, the share capital of YOUNIQ AG was contingently increased by up to another EUR 520,000 through the issue of up to 520,000 new, no-par-value bearer shares (contingent capital 2011/I) by resolution of the Annual General Meeting of 10 August 2011. The contingent capital increase will be implemented only to the extent that holders of subscription rights issued by 9 August 2016 under the “YOUNIQ AG share option plan 2011” on the basis of the authorisation of the Annual General Meeting on 10 August 2011 utilise their subscription rights and provided that no other forms of fulfilment are used to service the rights. The new shares are issued at the option price to be determined in each case in accordance with the authorising resolution referred to above. The new shares participate in profits starting from the beginning of the financial year in which they are issued. The Management Board has been authorised, subject to the approval of the Supervisory Board, to determine further details of the implementation of the contingent capital increase. The Supervisory Board is authorised to amend art. 4 paragraphs 1, 2 and 6 of the articles of association in line with the respective issue of shares from the contingent capital 2011/II.

Under the share option plan 2011, subscription rights for YOUNIQ AG shares (subscription rights) can be issued to (i) members of the Management Board of YOUNIQ AG, (ii) members of the management of YOUNIQ Group companies and (iii) other key employees of YOUNIQ AG and YOUNIQ Group companies worldwide. The exact group of beneficiaries and the number of subscription rights are determined by the Supervisory Board of YOUNIQ AG if subscription rights are being offered to the Management Board. In all other cases relating to members of the management of YOUNIQ Group companies and other key employees of YOUNIQ AG and YOUNIQ Group companies, these aspects are determined by the Management Board with the approval of the Supervisory Board. For all groups together, a maximum of 520,000 subscription rights are to be issued during the term of the share option plan 2011 until 9 August 2016 (total volume).

The subscription rights last for a total of seven years starting from the assignment date. They can be exercised for the first time after the end of a four-year qualifying period and then up until the end of the term (exercise date). The subscription rights cannot be exercised during certain waiting periods in connection with the end of the respective quarter or financial year, the publication of the corresponding results and the Annual General Meeting.

The condition for exercising the subscription right is that the closing price of the YOUNIQ AG share must be equal to or higher than the exercise price on at least one trading day during the term of the subscription right. The exercise price for a YOUNIQ share upon exercising a subscription right is 110% of the average closing auction prices of the YOUNIQ share on the Xetra trading platform of the Frankfurt stock exchange or a substitute electronic trading platform on the five trading days before the respective assignment date of the subscription rights. If the exercise price calculated in this way is lower than the lowest issue amount as defined in art. 9 paragraph 1 of the German Stock Corporation Act, then the lowest issue amount is to be taken as the exercise price instead.

The Supervisory Board must specify a cap for extraordinary developments with regard to share options granted to the Management Board members. The subscription rights are non-transferable and can only be exercised by the beneficiary. It is up to the Management Board to decide, in agreement with the Supervisory Board, whether to offer the beneficiaries either treasury shares in YOUNIQ AG or a cash settlement instead of issuing YOUNIQ AG shares from the contingent capital to be created for this purpose.

Further details with regard to granting and satisfying subscription rights and further conditions of the plan are determined by the Supervisory Board if Management Board members are affected, or otherwise by the Management Board with the approval of the Supervisory Board. At the meeting on 26 September 2011, the Supervisory Board resolved on conditions for the share options with regard to issuing options from the “YOUNIQ AG share option plan 2011” to members of the Management Board. At the same time, the Supervisory Board recommended that, for reasons of consistency and standardisation, the Management Board should also accept these share option conditions and should grant its approval already in this case. At its meeting on 14 December 2011, the Management Board resolved on conditions for the share options with regard to issuing options from the “YOUNIQ AG share option plan 2011” to executives and other key employees of YOUNIQ AG who are not members of the Management Board. The content of these conditions is identical to the content of the share option conditions resolved by the Supervisory Board at the meeting on 26 September 2011.

No subscription rights were assigned in the 2014 financial year.

5.8 MANAGEMENT BOARD’S AUTHORITY TO REPURCHASE SHARES

By resolution of the Annual General Meeting of 11 June 2010, the company was authorised according to art. 71 paragraph 1 number 8 AktG, with the approval of the Supervisory Board, to acquire treasury shares totalling up to 10% of the current share capital until 10 June 2015. The authorisation can be exercised in full or in partial amounts on one or more occasions. No more than 10% of the company’s share capital may be attributable to the shares acquired under this authorisation together with other shares in the company that the company has already acquired and still owns or that are attributable to it in accordance with articles 71a et seq. AktG.

The acquisition may take place on the stock market or by way of a public purchase offer to all shareholders. In the case of acquisition on the stock market, the purchase price paid (not including incidental acquisition costs) per share must not exceed or fall short of the average YOUNIQ share price in the closing auction on the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange on the last five trading days preceding the acquisition by more than 5%. If the acquisition takes place by way of a public purchase offer to all shareholders, this is permissible provided the purchase price or the limits of the purchase price range per share (not including incidental acquisition costs in each case) do not exceed or fall short of the average YOUNIQ share price in the closing auction on the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange on the last ten trading days preceding the publication of the decision to issue the purchase offer by more than 10%. If the relevant share price deviates substantially from the purchase price offered or the limits of the purchase price range offered after the publication of the formal purchase offer, then the offer can be adjusted. In this case, the adjusted offer is based on the average share price on the last ten trading days before the adjustment is published. The volume of the offer can be limited. If total subscription for the offer exceeds this volume, acceptance must be granted on a proportionate basis.

The Management Board has also been authorised, with the permission of the Supervisory Board, to sell the treasury shares acquired on the basis of the above authorisation in full or in part, with the shareholders' subscription rights disapplied, in a different way from on the stock market or with an offer to all shareholders, provided these shares are sold in exchange for cash payment at a price that does not significantly fall short of the market price of company shares of the same category at the time of the sale. The relevant share price in the context of the above regulation is defined as the average YOUNIQ share price in the closing auction on the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange on the last five trading days preceding the sale of the treasury shares. This authorisation to sell treasury shares is limited to shares accounting for a pro rata amount of the share capital of 10%, based on the share capital at the time this authorisation becomes effective or - if lower - the share capital at the time this authorisation is exercised. The upper limit of 10% of the share capital is reduced by the pro rata amount of the share capital attributable to the shares issued in the context of authorised capital during the term of this authorisation with subscription rights disapplied in accordance with art. 186 paragraph 3 sentence 4 AktG. The upper limit of 10% of the share capital is also reduced by the pro rata amount of the share capital attributable to the shares to be issued to service convertible bonds or bonds with warrants and/or profit participation certificates with conversion rights or options, provided the convertible bonds or bonds with warrants and/or profit participation certificates with conversion rights or options are issued during the term of this authorisation with subscription rights disapplied.

The Management Board has also been authorised, with the permission of the Supervisory Board, to use the treasury shares acquired on the basis of the above authorisation in full or in part, with the shareholders' subscription rights disapplied, as consideration or partial consideration in the context of mergers or for acquiring companies, parts of companies or equity interests in companies (including increases in existing equity interests).

The Management Board has also been authorised, with the permission of the Supervisory Board, to use the treasury shares acquired on the basis of the above authorisation in full or in part, with the shareholders' subscription rights disapplied, to satisfy the subscription and/or conversion rights from convertible bonds or bonds with warrants and/or profit participation certificates with conversion rights or options issued by the company or by its direct or indirect majority shareholdings.

The Management Board has also been authorised, subject to the approval of the Supervisory Board, to call in the treasury shares acquired on the basis of the above authorisation without requiring a further resolution by the Annual General Meeting. The authorisation to call in shares can be exercised in full or in part, i.e. also on multiple occasions.

To date, the Management Board of YOUNIQ AG has not exercised its authority to repurchase shares.

5.9 SIGNIFICANT CONDITIONAL AGREEMENTS CONCLUDED BY THE COMPANY

There are no significant agreements that are subject to a change of control following a takeover bid.

5.10 COMPENSATION AGREEMENTS CONCLUDED BY THE COMPANY FOR THE EVENT OF A TAKEOVER BID

The company has not concluded any compensation agreements with the Management Board members or employees for the event of a takeover bid.

6. CORPORATE GOVERNANCE STATEMENT[21]

The actions of the executive and monitoring bodies of YOUNIQ AG are guided by the principles of good and responsible corporate governance. In this statement, the Management Board reports - also on behalf of the Supervisory Board - on YOUNIQ AG's corporate governance in accordance with art. 289a HGB.

In addition to the following corporate governance statement, further information on corporate governance at YOUNIQ AG can be found in the corporate governance report to be published in accordance with item 3.10 of the German Corporate Governance Code (GCGC) in connection with the corporate governance statement on page 12 et seq.

6.1 DECLARATION IN ACCORDANCE WITH ART. 161 PARAGRAPH 1 AKTG

In March 2015, the Management Board and the Supervisory Board issued the following joint declaration of compliance in accordance with art. 161 paragraph 1 of the German Stock Corporation Act (AktG):

DECLARATION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD OF YOUNIQ AG ON THE RECOMMENDATIONS OF THE GOVERNMENT COMMISSION ON THE GERMAN CORPORATE GOVERNANCE CODE IN ACCORDANCE WITH ART. 161 PARAGRAPH 1 AKTG

YOUNIQ AG complied with all recommendations of the "Government Commission on the German Corporate Governance Code" in the respectively applicable versions dated 18 June 2009, 6 June 2008, 26 May 2010 and 15 May 2012, 13 May 2013 and 24 June 2014 in the 2014 financial year, and continues to comply with them, with the following exceptions:

Item 3.8 DCGK: A D&O insurance policy was taken out for the members of the Supervisory Board. This insurance did not provide for a deductible, since the Supervisory Board is already required by law to act responsibly and properly and the current legal obligation to agree a deductible for Management Board members does not apply to Supervisory Board members. The company intends to refrain from agreeing a deductible for Supervisory Board members in the future, too. This appears appropriate in view of the nature of the Supervisory Board mandate, which is also reflected in the different remuneration structure.

Item 4.1.5 DCGK: The recommendation to take account of diversity when filling management positions at the company and particularly to aim for appropriate representation of women is not currently implemented, since in the opinion of the Management Board the most important factor is relevant professional and specialist expertise and the market for such managers is limited.

Item 4.2.1 DCGK: The Management Board of the company currently consists of one person. In accordance with the Articles of Association, the Management Board may consist of one or more persons. In the opinion of the company's Supervisory Board, the limitation of the number of Management Board members to one person is expedient and also cost-efficient in the current configuration in light of the scope of the company's business operations.

Item 4.2.2/4.2.3 DCGK: The Management Board member Mr Alexander Kersting does not receive any remuneration himself in connection with the performance of his official duties. His work for the company is compensated under an assignment agreement between TAURIS Capital AG and YOUNIQ AG. In accordance with this assignment agreement, TAURIS Capital AG receives a fixed flat monthly fee. In the opinion of the company's Supervisory Board, this arrangement is an expedient and cost-efficient measure in the current configuration and enables the company to gain a qualified Management Board member to work for it for a flexible and initially foreseeable period.

Item 4.2.3 DCGK: The Management Board employment agreement with the former Management Board member Mr Marcus Schmitz did not provide for an upper limit on the remuneration resulting from the share options granted, since in the opinion of the Supervisory Board this was not necessary and had no motivating effect in view of the ambitious share price targets.

[21] The corporate governance statement in accordance with art. 289a HGB is not included in the audit.

Item 4.2.5 DCGK: Item 4.2.5 GCGC stipulates that certain information on Management Board remuneration is to be presented in the remuneration report using reference tables in accordance with the annex to the GCGC. The company complies with the provisions of art. 87 AktG on Management Board remuneration and the statutory provisions on financial reporting. The Management Board, the Supervisory Board and the company consider this to be sufficient and do not see any corresponding added value for the increased expense associated with compliance with the new provisions of item 4.2.5 GCGC. The reference tables are complex and the Management Board, the Supervisory Board and the company do not believe that they can offer the reader any informational added value. Furthermore, for the majority of the 2014 financial year there was only one Management Board member at the company, which constitutes another argument against a complex presentation that takes account of the new provisions of item 4.2.5 GCGC. The company therefore refrains from using the reference tables and presents the Management Board remuneration transparently, understandably and comprehensively in the remuneration report.

Item 5.1.2 DCGK: In the opinion of the Management Board, the Supervisory Board and the company, the knowledge and experience of members of executive bodies should not be dispensed with on the basis of their biological age. When appointing Management Board members, the Supervisory Board therefore decides on the definition of an age limit and the suitability of the person on a case-by-case basis. However, in view of the current composition and age structure of the Management Board, there is also no need for an age limit at present. The recommendation to take account of diversity in the composition of the Management Board and particularly to aim for appropriate representation of women is not currently implemented, since in the opinion of the Supervisory Board the most important factor is relevant professional and specialist expertise and the market for such managers is limited.

Item 5.3 DCGK: The entire Supervisory Board is regularly informed about significant developments at YOUNIQ AG. Because the Supervisory Board consists of only three people in accordance with the articles of association, and in light of the scope of the company's business operations, it does not make sense to form committees at present.

Item 5.4.1 DCGK: The company refrains from formulating specific targets for the composition of the Supervisory Board, since in light of the scope of the company's business operations it does not seem expedient to formulate specific targets for the composition of the Supervisory Board. Moreover, in the opinion of the Supervisory Board the most important factor for the composition of the Supervisory Board is the members' relevant professional and specialist expertise, and the market for such persons is limited.

Item 5.4.3 DCGK: Mr Jorgen Verink was appointed as a member of the company's Supervisory Board by way of a ruling by the Frankfurt am Main District Court. Mr Verink's court appointment is not limited until the company's next Annual General Meeting. Nonetheless, the intention is to bring about a resolution of the Annual General Meeting on the election of Mr Verink as a member of the company's Supervisory Board in the current financial year.

Item 5.6 DCGK: No review of the efficiency of the Supervisory Board's activities was performed in the 2014 financial year. This is due to the fact that, after the downsizing of the Supervisory Board and a corresponding amendment to the articles of association had been resolved at the company's Annual General Meeting on 17 July 2013, the Supervisory Board firstly wanted to wait for cooperation of the downsized Supervisory Board in a full financial year. According to the Supervisory Board's current assessment, a review of its efficiency is not necessary in the current financial year in light of the reduction of the Supervisory Board to the statutory minimum number of members and the scope of the company's business operations.

Item 7.1.2 DCGK: The annual and consolidated financial statements, the half-year financial report and the interim reports are published within the statutory deadlines. The deadline for publication of the consolidated financial statements and the half-year financial report that is recommended in the Code was not complied with in the 2014 financial year, as this would have entailed significant additional costs and expenditure of resources. It is planned to publish the consolidated financial statements and the half-year financial report within the statutory deadlines in the future, too.“

6.2 RELEVANT DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES

The business objective of YOUNIQ AG is to acquire, sell and broker properties as well as to broker financing. The company is authorised to perform these activities directly itself or indirectly via investees and subsidiaries. Accordingly, the company both acts a holding company (with various property companies as subsidiaries) and also has its own property portfolio.

YOUNIQ AG has concluded control and profit transfer agreements as the controlling company with its subsidiaries AF Property GmbH, CAMPUS REAL ESTATE GmbH and PF St.-Annen-Strasse GmbH, all of which are based in Frankfurt am Main. In June 2014, the control and profit transfer agreements with AF Property GmbH and PF St.-Annen-Strasse GmbH were terminated effective 31 December 2014 and 31 December 2016 respectively.

YOUNIQ AG does not have to comply with any corporate governance provisions other than those required under German law. Besides these, the Management Board and the Supervisory Board aim to follow the recommendations contained in the German Corporate Governance Code wherever possible and reasonable from the company's perspective.

6.3 DESCRIPTION OF THE WORKING METHODS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The composition of the Management Board and the Supervisory Board themselves is described in the notes to the consolidated financial statements of YOUNIQ AG starting on page 129 and in the corporate governance report starting on page 12.

In addition to the following presentation, the working methods of the Management Board and the Supervisory Board are also described in the corporate governance report starting on page 12.

The Management Board and the Supervisory Board collaborate closely in the interests of the company. The Supervisory Board regularly advises the Management Board on the management of YOUNIQ AG and monitors its activities. The Management Board involves the Supervisory Board in all decisions of fundamental important to the company at an early stage. In particular, the Management Board agrees the strategic orientation of the company with the Supervisory Board and discusses the status of implementation of the strategy with it at regular intervals.

6.3.1 Management Board

The Management Board manages the company's business on its own responsibility and represents the company. It currently consists of one Management Board member. The Management Board generally makes decisions at Management Board meetings. It manages the company's business in line with uniform objectives and plans. The Supervisory Board has issued rules of procedure for the Management Board. The Management Board's tasks are determined using a schedule of responsibilities, which can be changed by the Management Board with the approval of the Supervisory Board.

The Management Board member has sole power of representation with the authority to conclude legal transactions with himself as a representative of a third party on behalf of the company. However, this exemption from the prohibition of self-dealing under art. 181, alt. 2 of the German Civil Code (BGB) only applies to intragroup legal transactions in which the Management Board member represents the company on the one hand and an affiliated company as defined in art. 15 et seq. AktG on the other hand. The Management Board member is therefore authorised to utilise this exemption only in this context. The member of the Management Board is not authorised to conclude legal transactions with himself as a representative of a non-affiliated company as defined in art. 15 et seq. AktG on behalf of the company. In addition, there is a list of transactions requiring approval, which comprises transactions and measures that can only be performed with the approval of the Supervisory Board.

The Management Board regularly and promptly informs the Supervisory Board, in the form of detailed written and oral reports, about all issues relevant to the company with regard to its strategy, planning, the current business performance, the risk situation, risk management and the development of profitability. The Management Board prepares the annual and consolidated financial statements.

6.3.2 Supervisory Board

In accordance with the company's articles of association, the Supervisory Board of YOUNIQ AG consists of three members. The Chairman of the Supervisory Board is selected from among the members of the Supervisory Board.

The Supervisory Board regularly advises the Management Board on the management of the company and monitors its activities. It appoints the members of the Management Board or revokes such appointments. The Supervisory Board is involved in all decisions of fundamental important to the company at an early stage. Within the framework of the law and the articles of association, the Supervisory Board has established rules of procedure for itself. Supervisory Board meetings are generally held at least once per calendar quarter. The Supervisory Board adopts resolutions with a simple majority. In the event of a tie, the Chairman of the Supervisory Board has the casting vote. The Supervisory Board approves the annual and consolidated financial statements, which are thereby adopted.

7. REMUNERATION REPORT

The following remuneration report also forms part of the corporate governance report.

7.1 MANAGEMENT BOARD REMUNERATION

The Management Board remuneration, including any Group payments, is determined by the Supervisory Board at an appropriate level on the basis of a performance assessment and is reviewed on a regular basis. In determining and reviewing the Management Board remuneration, the Supervisory Board takes account of the requirements codified in art. 87 paragraph 1 AktG, which stipulate that the total remuneration of each individual Management Board member must be appropriate to the tasks and performance of the Management Board member and to the company's situation and must not exceed the usual remuneration unless there are special reasons for this. The criteria for determining appropriate Management Board remuneration therefore particularly include the tasks of the Management Board member, his/her personal performance, the performance of the Management Board as a whole, the company's economic and financial situation, the company's success and future prospects, and the level and structure of Management Board remuneration at comparable companies. YOUNIQ AG's remuneration system is geared towards sustainable development of the company. The remuneration is calculated to be competitive in a national and international comparison and thus to offer an incentive for committed and successful work.

Mr Marcus Schmitz, former member of the Management Board, and the company agreed not to extend the Management Board employment agreement contractually expiring as at 31 December 2014. Mr Schmitz's appointment ended at the end of 31 December 2014. In accordance with his Management Board employment agreement, Mr Schmitz received a gross fixed annual salary of EUR 275,000 in the 2014 financial year, as well as annual performance-related variable remuneration on achieving or surpassing the annual targets in the form of an annual bonus of a maximum of EUR 137,500. In addition, Mr Schmitz received options for the acquisition of shares in the company on the basis of and in accordance with the content of the "YOUNIQ AG share option plan 2011". A total of 61,000 share options were granted to Mr Marcus Schmitz in accordance with this "YOUNIQ AG share option plan 2011" with effect from the start of the contract. Mr Schmitz may exercise these share options after four years at the earliest, i.e. after the end of 2015. Accordingly, the long-term variable remuneration in the form of the YOUNIQ share options (around 65% of the total variable remuneration) considerably outweighs the short-term annual bonus, in compliance with the German Act on the Appropriateness of Management Board Remuneration (VorstAG).

The variable remuneration is based on targets that are defined before the start of the financial year in question on the basis of planning for the following financial year that is to be prepared by the Management Board, made available to the Supervisory Board and approved by the Supervisory Board. The Management Board must provide the Supervisory Board with the planning for the following financial year by no later than 15 November of the respective financial year. The targets may comprise both financial and quantifiable key figures (e.g. EBIT, net profit for the year, free cash flow) and also targets that specifically come under the scope of the Management Board member's responsibilities and are not quantifiable (e.g. implementation of suitable planning/controlling processes, sale of certain assets at a certain date). In addition, performance-related variable special remuneration of a maximum of EUR

200,000 was agreed with Mr Schmitz in the 2014 financial year, subject to the achievement of the targets set for this special remuneration. This special remuneration was not paid out because the targets were not achieved. The new statutory requirements for Management Board remuneration that have applied since the German Act on the Appropriateness of Management Board Remuneration (VorstAG) came into force were complied with in full in the Management Board employment agreements with Mr Schmitz that were concluded after the VorstAG came into force.

Mr Schmitz's gross fixed annual salary was paid out in twelve equal instalments at the end of each calendar month. The specific amount of the annual variable remuneration is based on the respective target achievement that is approved by the Supervisory Board by no later than 31 March of the following year on the basis of the audited consolidated financial statements in accordance with IFRS and is then paid out. Mr Schmitz's expenses were reimbursed in accordance with the contractual regulations.

In addition, Mr Schmitz received fringe benefits in the form of remuneration in kind, chiefly consisting of the use of a company car and insurance premiums. A D&O insurance policy was taken out for Mr Schmitz. In this insurance policy, the deductible of 10% of the loss that is legally stipulated in art. 93 paragraph 2 sentence 3 AktG was agreed for up to at least one-and-a-half times the fixed annual remuneration of the respective Management Board member. In addition, the company paid a subsidy for statutory or private health and nursing insurance for Mr Schmitz, the amount of which was based on the legal provisions relating to contribution subsidies for persons with voluntary statutory or private insurance but was no higher than half of the amount that Mr Schmitz has to spend on his health insurance. Apart from the provision of insurance coverage, Mr Schmitz was not entitled to any further fringe benefits and did not receive any fringe benefits from the company.

On 17 December 2014, Mr Alexander Kersting was appointed as a member of the Management Board with immediate effect until 31 December 2015. Mr Kersting is also a member of the Management Board of TAURIS Capital AG and is thus exempted from any prohibition of competition on the part of both YOUNIQ AG and TAURIS Capital AG. To allow him to perform the role of a Management Board member of YOUNIQ AG without restrictions, the company concluded a separate assignment agreement with TAURIS Capital AG, under which TAURIS Capital AG assigns Mr Kersting to the company as an "interim manager" so that he can perform Management Board duties for the company. In accordance with this assignment agreement, TAURIS Capital AG receives a monthly fee of EUR 16,666 plus statutory value-added tax. This monthly fee covers all of Mr Kersting's claims to remuneration from the company on the basis of his work as a Management Board member. Mr Kersting himself therefore has no entitlement to remuneration from the company.

The expenses incurred by Mr Kersting or TAURIS Capital AG in connection with Mr Kersting's performance of his official duties as a member of the company's Management Board are compensated under the assignment agreement, provided these expenses are incurred in the interests of the company. A D&O insurance policy was taken out for Mr Kersting at appropriate and standard market conditions and with a deductible in the minimum amount stipulated in art. 93 paragraph 2 sentence 3 AktG.

The total remuneration totalling EUR 300,774 (gross) that was granted to the Management Board members by the company in the 2014 financial year breaks down as follows:

Management Board member	Fixed remuneration	Variable remuneration	Total remuneration	Pension commitments	Other fringe benefits/ components with a long-term incentive effect
Marcus Schmitz until 31 December 2014	EUR 275,000 (prev. year EUR 275,000	EUR 0 (prev. year EUR 100,000)	EUR 275,000 (prev. year EUR 375,000)	EUR 0 (prev. year EUR 0)	EUR 25,774 (prev. year EUR 25,775)
Alexander Kersting since 17 December 2014	EUR 0	EUR 0	EUR 0	EUR 0	EUR 0

The Management Board employment agreement with Mr Schmitz stipulated that, in the event of termination of the agreement due to revocation of his appointment as a Management Board member, he was entitled to a compensation payment in the amount of the total remuneration to which he would otherwise have been entitled for the remaining term of the agreement but not exceeding the amount of one gross fixed annual salary. However, this entitlement to compensation was ruled out if (i) the agreement was made due to revocation of the appointment for a good reason relating to the person or conduct of the Management Board member or (ii) the company was authorised to terminate the agreement in accordance with art. 626 of the German Civil Code (BGB) or (iii) the Management Board member resigned from the company's Management Board without good reason.

In accordance with the Management Board employment agreement with Mr Schmitz, any payments to the Management Board member on early termination of his Management Board position without good reason, including fringe benefits, amount to less than the maximum value of the respective total remuneration for two years (severance payment cap) in accordance with item 4.2.3 of the German Corporate Governance Code (GCGC) and do not exceed the remuneration for the remaining term of the Management Board employment agreement. The annual remuneration is calculated for this purpose based on the total remuneration paid to the Management Board member in the past financial year and the anticipated total remuneration for the current financial year.

7.2 SUPERVISORY BOARD REMUNERATION

The remuneration of the Supervisory Board was determined by the Annual General Meeting on 10 August 2011 at the suggestion of the Management Board and the Supervisory Board. The remuneration takes account of the Supervisory Board members' responsibilities and scope of activities and the economic situation and success of the company.

In accordance with art. 16 paragraph 1 of the articles of association in the version dated 31 July 2013, the members of the Supervisory Board receive - in addition to the reimbursement of their expenses (including any value-added tax incurred) - fixed annual remuneration of EUR 10,000; the Chairman receives two-and-a-half times this amount. In accordance with art. 16 paragraph 2 of the articles of association in the version dated 31 July 2013, the respective members of the Supervisory Board receive an attendance fee of EUR 250 for attending a Supervisory Board meeting. The members of Supervisory Board committees also receive an attendance fee of EUR 250 for attending a committee meeting. In accordance with art. 16 paragraph 3 of the articles of association, the Annual General Meeting can adopt resolutions establishing other types of remuneration and benefits with the nature of remuneration for the Supervisory Board members.

In addition, the Annual General Meeting of the company on 10 August 2011 introduced a variable remuneration component under which each member of the Supervisory Board has a claim - subject to a condition precedent and geared towards the company's long-term success - to additional remuneration for the period from 1 January 2012 to 31 December 2015 in the amount of up to EUR 20,000, or up to EUR 50,000 for the Chairman. The additional remuneration is payable after the end of the Annual General Meeting that resolves on the approval of the actions of the Supervisory Board members for the financial year ending on 31 December 2015. Personnel changes in the Supervisory Board are taken into account in the remuneration in line with each member's term of office, rounding to the nearest full month.

Assuming that the Annual General Meeting of YOUNIQ AG does not adopt resolutions establishing other types of remuneration and benefits with the nature of remuneration for the Supervisory Board members in accordance with art. 16 paragraph 3 of the articles of association, the total remuneration of the Supervisory Board in the 2014 financial year amounts to EUR 60,690 (gross). In detail, Supervisory Board remuneration was as follows:

Supervisory Board member	Expenses and VAT	Fixed remuneration p.a. including attendance fees
Daniel Schoch	EUR 5,130 (prev. year EUR 3,373)	EUR 27,000 (prev. year EUR 17,750)
Dr. Klaus Boemer	EUR 3,101 (prev. year EUR 2,190)	EUR 12,000 (prev. year EUR 5,667)
Dr. Carsten Strohdeicher (until 31 December 2014)	EUR 3,514 (prev. year EUR 4,903)	EUR 12,000 (prev. year EUR 13,000)

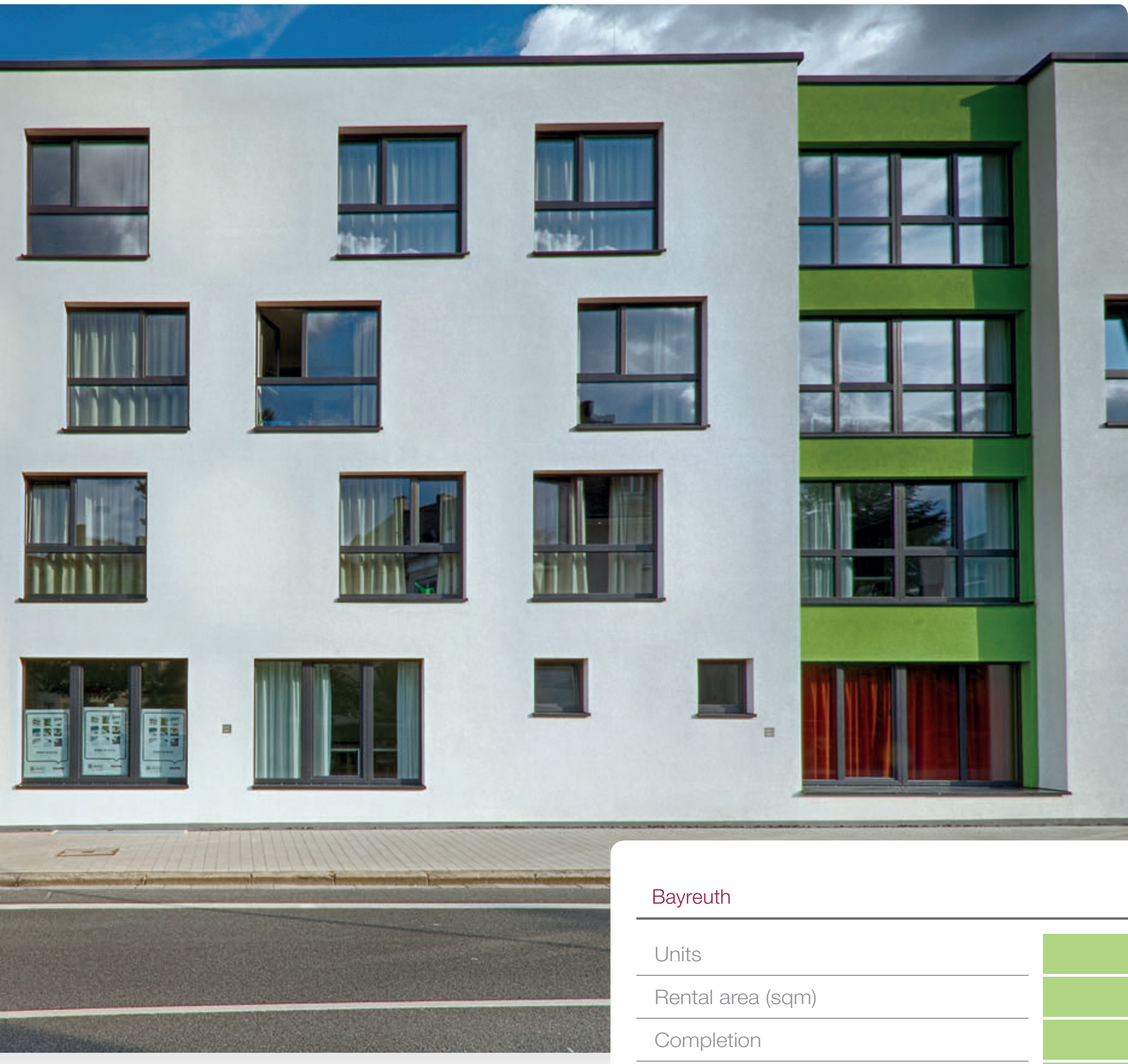
In the year under review, the members of the Supervisory Board did not receive any other remuneration or benefits for services provided by them, in particular advisory and mediation services. The members of the Supervisory Board of YOUNIQ AG were not paid remuneration for any Supervisory Board mandates at Group companies in the 2014 financial year.

A D&O insurance policy was taken out for the members of the Supervisory Board. This insurance did not provide for a deductible, since the current legal obligation to agree a deductible for Management Board members does not apply to Supervisory Board members. In view of the nature of the Supervisory Board mandate, which is also reflected in the different remuneration structure, dispensing with the agreement of a deductible is appropriate.

8. SUMMARISED STATEMENT BY THE MANAGEMENT BOARD IN ACCORDANCE WITH ART. 312 AKTG

"The Management Board declares that YOUNIQ AG received appropriate consideration for each of the legal transactions and was not disadvantaged by any of the measures described in the report on relations with affiliated companies in light of the circumstances that were known to the Management Board when the transactions were conducted and the measures were taken."


YOUNIQ



Bayreuth

Units	236
Rental area (sqm)	5,207
Completion	Q1 / 2014
Rental income (EUR million with full letting p. a.)	0.8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31ST DECEMBER 2014

in kEUR	Note	31.12.2014	31.12.2013
Non-current assets			
Intangible assets	4.1.	70	30
Property, plant and equipment	4.2.	370	502
Investment property	4.3.	81,656	80,582
Non-current primary financial instruments	4.4.	2,712	2,572
Long-term receivables	4.5.	374	-
Non-current assets, total		**85,182**	**83,686**
Current assets			
Inventories	4.6.	2	17,454
Trade receivables	4.7.	234	112
Derivative financial instruments	4.15.	-	288
Income tax receivables	4.8.	6	21
Other short-term receivables and assets	4.9.	823	3,430
Cash and cash equivalents (restricted)	4.10.	589	637
Cash and cash equivalents (non-restricted)	4.10.	2,184	1,880
		3,837	23,822
Non-current assets held for sale	4.11.	4,674	17,945
Current assets, total		**8,511**	**41,767**
Assets, total		**93,694**	**125,453**

Consolidated statement of financial position

in kEUR	Note	31.12.2014	31.12.2013
Equity	**4.12.**		
Subscribed capital	4.12.1.	10,400	10,400
Capital reserve	4.12.5.	61,973	61,924
Retained earnings	4.12.6.	(45,468)	8,570
Consolidated net profit/(loss) for the period		(6,179)	(54,038)
Revaluation reserve	4.12.7.	256	160
Equity attributable to Group shareholders		20,981	27,016
Non-controlling interests	4.12.8.	146	182
Equity, total		**21,127**	**27,198**
Non-current liabilities			
Liabilities to banks	4.13.	38,103	40,657
Deferred tax liabilities	4.14.	1,788	435
Liabilities to affiliated companies	4.21.	3,252	-
Long-term provisions	4.16.	1,803	1,647
Other long-term liabilities	4.17.	2,804	2,953
Non-current liabilities, total		**47,750**	**45,692**
Current liabilities			
Liabilities to affiliated companies	4.21.	107	-
Other short-term provisions	4.18.	1,146	3,318
Income tax liabilities	4.19.	110	83
Liabilities to banks	4.20.	10,542	28,885
Trade payables	4.22.	1,572	4,661
Other short-term liabilities	4.23.	5,684	6,716
		19,160	43,662
Liabilities in connection with available-for-sale assets	4.24.	5,657	8,900
Current liabilities, total		**24,817**	**52,562**
Subtotal liabilities		72,567	98,255
Equity and liabilities, total		**93,694**	**125,453**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1ST JANUARY TO 31ST DECEMBER 2014

in kEUR	Note	1.1.-31.12.2014	1.1.-31.12.2013
Consolidated profit and loss account for the period from 1 January to 31 December 2014			
Rental income	5.1.	8,725	8,210
Revenue from service charges	5.2.	7	(7)
Rental expenses	5.3.	(3,096)	(4,803)
Property-related operating expenses	5.4.	(2,995)	(3,334)
Other property-related income and expenses	5.5.	1,426	62
Net operating income (NOI) before expensed capital expenditures and write-downs		**4,067**	**129**
Expensed capital expenditures		(2)	(35)
(Write-downs)/reversal of write-downs on trade receivables		(18)	(335)
Net operating income (NOI) after expensed capital expenditures and write-downs		**4,047**	**(242)**
Revenue from the sale of real estate assets	5.6.	8,943	18,340
Cost of sales	5.6.	(192)	(5,653)
Book value of real estate assets sold	5.6.	(8,828)	(18,579)
Acquisition costs and expenses from mergers	5.6.	-	(8)
Income/(expenses) from the purchase/sale of real estate companies	5.6.	(153)	-
Profit/(loss) from the sale of real estate assets	5.6.	**(230)**	**(5,900)**
Profit/(loss) from changes in valuation of investment property	5.7.	**(1,228)**	**(17,136)**
Personnel and administrative expenses	5.8.	(3,459)	(4,394)
General selling and marketing expenses	5.9.	(254)	(281)
Depreciation, amortisation and write-downs	5.10.	(172)	(1,638)
Earnings before interest and taxes (EBIT)		**(1,295)**	**(29,592)**

in kEUR	Note	1.1.-31.12.2014	1.1.-31.12.2013
Interest income	5.11.	104	23
Interest expenses	5.12.	(2,049)	(1,604)
Other financial income/(financial expenses)	5.13.	(109)	(971)
Financial result		**(2,054)**	**(2,552)**
Earnings before taxes (EBT)		**(3,349)**	**(32,143)**
Income tax	5.14.	164	(8,612)
Consolidated net profit/(loss) for the period from continuing operations		**(3,185)**	**(40,755)**
Consolidated net profit/(loss) for the period from discontinued operations	2.6.	(3,013)	(13,326)
Consolidated net profit/(loss) for the period		**(6,198)**	**(54,082)**
Of which attributable to Group shareholders		(6,179)	(54,038)
Of which attributable to non-controlling interests		(19)	(44)
Average number of shares outstanding during the account period		10,400,000	10,400,000
Earnings per share (undiluted)	**5.16.**	**EUR -0.59**	**EUR -5.20**
Comprehensive income reconciliation for the period from 1 January to 31 December 2014			
Net profit/(loss) for the period		**(6,198)**	**(54,082)**
Other comprehensive income			
Change in revaluation reserve for available-for-sale financial assets	4.12.7.	140	137
Taxes on income applicable to the components of “Other comprehensive income“	4.12.7.	(45)	(44)
Other comprehensive income for the period		**95**	**93**
Consolidated total comprehensive income		**(6,103)**	**(53,988)**
Of which attributable to Group shareholders		(6,084)	(53,945)
Of which attributable to non-controlling interests		(19)	(44)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1ST JANUARY TO 31ST DECEMBER 2014

in kEUR	Note	**Subscribed capital**	**Capital reserve**
As at 1 Jan. 2013		**10,400**	**61,897**
Reclassification of consolidated net profit/(loss) for previous year		-	-
Consolidated net profit/(loss) for the period		-	-
Other comprehensive income for the period		-	-
Consolidated total comprehensive income		-	-
Capital increase		-	-
Purchase of non-controlling interests		-	-
Share-based payment	3.10.	-	27
Effects from consolidation		-	-
Other		-	-
As at 31 Dec. 2013	4.12.	**10,400**	**61,924**
As at 1 Jan. 2014		**10,400**	**61,924**
Reclassification of consolidated net profit/(loss) for previous year		-	-
Consolidated net profit/(loss) for the period		-	-
Other comprehensive income for the period		-	-
Consolidated total comprehensive income		-	-
Capital increase		-	-
Purchase/sale of non-controlling interests		-	-
Share-based payment	3.10.	-	26
Effects from consolidation		-	-
Other		-	23
As at 31 Dec. 2014	4.12.	**10,400**	**61,973**

Retained earnings	Consolidated net profit/(loss) for the period	Revaluation reserve	Equity attributable to Group shareholders	Non-controlling interests	Total equity
15,672	**(7,096)**	**67**	**80,939**	**220**	**81,160**
(7,096)	7,096	-	-	-	-
-	(54,038)	-	(54,038)	(44)	(54,082)
-	-	93	93	0	93
-	(54,038)	93	(53,945)	(44)	(53,988)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	27	-	27
(6)	-	-	(6)	6	-
0	-	0	0	(0)	(0)
8,570	**(54,038)**	**160**	**27,016**	**182**	**27,198**
8,570	**(54,038)**	**160**	**27,016**	**182**	**27,198**
(54,038)	54,038	-	-	-	-
-	(6,179)	-	(6,179)	(19)	(6,198)
-	-	95	95	0	95
-	(6,179)	95	(6,084)	(19)	(6,103)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	26	-	26
-	-	-	-	-	-
-	-	-	23	(17)	5
(45,468)	**(6,179)**	**256**	**20,981**	**146**	**21,127**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD 1ST JANUARY TO 31ST DECEMBER 2014

in kEUR	Note	1.1. - 31.12.2014	1.1. - 31.12.2013
Consolidated net profit/(loss) for the period		(6,198)	(54,082)
Income tax		1,069	7,663
Financial result		2,191	3,956
Earnings before interest and tax (EBIT)		**(2,938)**	**(42,463)**
(Reconciliation for the transition from EBIT to cash flow before interest and taxes)			
Depreciation, amortisation and write-downs		81	6,018
(Income)/expenses from changes in the market value of investment property		1,164	20,099
Change in deferred taxes		1,352	7,712
Profit/(loss) from the disposal of investment property		(297)	135
Profit/(loss) from the deconsolidation of subsidiaries		148	-
Profit/(loss) from the disposal of property, plant and equipment		(13)	(69)
(Decrease)/increase in long-term/short-term provisions		(907)	5,409
Change in derivative financial instruments		(11)	(221)
Change in capital reserve on account of share-based remuneration		26	27
Change in other non-cash income and expenses		95	93
(Decrease)/increase in receivables from construction contracts		-	136
(Decrease)/increase in inventories		1,391	(5,821)
(Decrease)/increase in trade receivables		157	630
(Decrease)/increase in other receivables and assets		831	(1,234)
(Decrease)/increase in prepayments received		-	255
(Decrease)/increase in trade payables		(1,038)	(903)
(Decrease)/increase in other liabilities		(1,472)	(7,126)
Taxes (paid)/received		(92)	219
Net cash inflow/(outflow) from operating activities	**6.**	**(1,523)**	**(17,105)**

in kEUR	Note	1.1. - 31.12.2014	1.1. - 31.12.2013
Proceeds from the sale of property, plant and equipment and of investment property		12,729	36,206
Cash outflow for property, plant and equipment and intangible assets		(103)	(191)
Cash outflow for investment property		(6,592)	(35,797)
Proceeds from the sale of subsidiaries		2,252	-
Payments for the acquisition of subsidiaries (including back pay)		(25)	-
Net cash inflow/(outflow) from investing activities	**6.**	**8,261**	**218**
Loan taken out from the majority shareholder		750	-
Proceeds from short-term/long-term financial liabilities (bank loans)		2,274	39,688
Amortisation of short-term/long-term financial liabilities (bank loans)		(7,907)	(23,537)
Payment for the conclusion of an interest rate cap (upfront fee)		-	(300)
Proceeds from/(payment for) replacement of derivatives		300	(576)
Raising of mezzanine financing		-	5,000
Repayment of mezzanine financing (including interest)		-	(5,220)
Interest received		186	28
Interest paid		(2,145)	(2,251)
Financing fees and prepayment penalties paid		(130)	(1,496)
Net cash inflow/(outflow) from financing activities	**6.**	**(6,672)**	**11,337**
Net change in cash and cash equivalents		**66**	**(5,551)**
Cash and cash equivalents at the beginning of the period	4.10./6.	3,146	8,696
Net change in cash and cash equivalents		66	(5,551)
Cash and cash equivalents at the end of the period	4.10./6.	3,212	3,146

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT OF YOUNIQ AG FOR THE FINANCIAL YEAR FROM 1ST JANUARY TO 31ST DECEMBER 2014

1. GENERAL DISCLOSURES ON THE COMPANY

The subject matter of the consolidated financial statements is YOUNIQ AG and its direct and indirect subsidiaries. YOUNIQ AG is a publicly traded German property stock corporation based in Frankfurt am Main.

The YOUNIQ Group is currently broken down into four operating segments:

- „YOUNIQ – Student Housing“
- „Services“
- „Renting and Trading Real Estate” (discontinued operation)
- „Project Development” (discontinued operation)

The company's business activities focus on the "YOUNIQ – Student Housing" segment, in which subsidiaries of YOUNIQ AG develop and manage student apartment complexes across Germany. The YOUNIQ Group covers a considerable portion of the value chain here – from acquiring property and land, project development including planning, applications for planning permission and construction, to the holding of the completed properties. The company's activities also focus on the "Services" segment, which manages student residences held in the company's own portfolio and third-party portfolio. Having already discontinued major operations in the "Project Development" segment, the Management Board continued selling off its remaining properties in the "Renting and Trading Real Estate" segment in the form of individual sales. These two segments are therefore discontinued operations in accordance with IFRS 5.32a and b (see section 2.6). Please see the notes in Annex 2 for details of the results of discontinued operations.

YOUNIQ AG is registered as a stock corporation in the commercial register of the Frankfurt am Main District Court (HRB 86081). Since 1 August 2012, the company's business premises have been located at Eschersheimer Landstrasse 6 in 60322 Frankfurt am Main. The company has also leased business premises in "City Hochhaus", Augustusplatz 9 in 04109 Leipzig.

The shares of YOUNIQ AG (hereinafter also referred to as the "parent company" or "company") have been admitted to trading on the Frankfurt Stock Exchange (General Standard) since 6 December 2006 under ISIN DE000A0B7EZ7 (securities identification number (WKN): A0B7EZ). The shares of YOUNIQ AG have been listed in the Prime Standard of the Frankfurt Stock Exchange since 22 July 2011. Admission to the Prime Standard results in post-admission requirements, which mean more stringent transparency and publicity requirements. By way of application by YOUNIQ AG, the admission of its ordinary bearer shares, ISIN DE000A0B7EZ7, was revoked in accordance with art. 39 paragraph 2 of the Börsengesetz (BörsG – German Stock Exchange Act) in conjunction with art. 46 paragraph 1 sentence 2 no. 2 and art. 46 paragraph 2 sentence 3 of the Börsenordnung (BörsO – German Stock Exchange Regulations). This will take effect from 8 April 2015 (revocation order of the Frankfurt Stock Exchange of 8 October 2014). With admission to the regulated market (General Standard) revoked, admission to the segment of the regulated market with further post-admission requirements (Prime Standard) is also lifted. At the end of 8 April 2015, YOUNIQ AG will request that its shares be downlisted to the Entry Standard of the Frankfurt Stock Exchange, which entails simplifications with regard to the future publication of the audited consolidated financial statements and interim reporting.

GOETHE INVESTMENTS S.à r.l., Luxembourg, which is included in the consolidated group of CORESTATE German Residential Limited, St Peter Port, Guernsey (ultimate parent company), as is RABANO PROPERTIES S.à r.l., held a majority interest in YOUNIQ AG from 25 July 2008.

On 20 October 2014, Corestate Ben BidCo AG, Frankfurt am Main, which is in turn included in the consolidated group of CORESTATE IREI Holding S.A., Luxembourg, (ultimate parent company), acquired direct control of YOUNIQ AG by way of purchase and transfer of 6,914,441 shares. On 22 October 2014, Corestate Ben BidCo AG acquired a further 1,480,003 shares in YOUNIQ AG. On 22 October 2014, Corestate Ben BidCo AG thus held a total of 8,394,444 shares in YOUNIQ AG. This equates to 80.72 % of the voting rights in YOUNIQ AG.

As a legal consequence of having gained control as per art. 29 paragraph 2 of the German Securities Acquisition and Takeover Act (WpÜG) over YOUNIQ AG on 20 October 2014, Corestate Ben BidCo AG (also on behalf of CORESTATE IREI Holding S.A.) published a mandatory offer in accordance with art. 35 paragraph 2 in conjunction with art. 14 paragraphs 2 and 3 WpÜG on 10 November 2014. The mandatory offer (cash offer) by Corestate Ben BidCo AG to the shareholders of YOUNIQ AG to acquire their ordinary no-par-value bearer shares in YOUNIQ AG in exchange for a cash payment of EUR 1.02 per share ended on 8 December 2014 (midnight). In this period, the offer for a total of 290,031 YOUNIQ AG shares was accepted, so Corestate Ben BidCo AG holds a total of 8,684,475 shares in YOUNIQ AG as of 31 December 2014 (equating to a share of approximately 83.50 %).

At the Annual General Meeting of YOUNIQ AG on 14 August 2014, the separate financial statements as at 31 December 2013 and the consolidated financial statements as at 31 December 2013 of YOUNIQ AG, prepared in accordance with the International Financial Reporting Standards (IFRS) as applicable in the EU, were presented to the Supervisory Board, together with the combined management report for the company and the Group for the 2013 financial year. In addition, the Annual General Meeting resolved to grant official approval for the actions of the Supervisory Board and the Management Board for the 2013 financial year. As in previous years, no dividend distributions were resolved.

The Management Board prepared the annual financial statements as at 31 December 2014 of YOUNIQ AG on 18 March 2015. The annual financial statements were submitted to the company's Supervisory Board for approval and release for publication on 18 March 2015.

The consolidated financial statements of YOUNIQ AG for the financial year ending 31 December 2014 were prepared by the Management Board and approved for publication on 18 March 2015. The Supervisory Board's task is to examine the submitted consolidated financial statements and declare whether it approves them.

2. ACCOUNTING POLICIES

2.1. DECLARATION OF COMPLIANCE WITH IFRS

YOUNIQ AG is obliged to prepare consolidated financial statements under art. 290 et seq. HGB. YOUNIQ AG prepared its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as applicable in the EU as well as the supplementary commercial regulations to be applied according to art. 315a paragraph 1 HGB. All IFRSs issued by the International Accounting Standards Board (IASB) effective at the time of these consolidated financial statements being prepared have been applied, provided that they have been endorsed by the EU.

The term IFRS also covers the International Accounting Standards (IAS) still in effect. All interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS-IC) and the Standing Interpretations Committee (SIC) effective for the 2014 financial year were also applied.

The requirements of the applied standards were met in their entirety and result in a fair presentation of the YOUNIQ Group's net assets, financial position and results of operations. The consolidated financial statements are therefore in line with IFRSs.

The IASB Framework is not part of the IFRSs and neither has it been adopted into the body of European Union law. For interpretation and gap-filling, IAS 8.11b requires recourse to the definitions and recognition criteria for assets, liabilities, expenses and income anchored in the Framework. The Framework forms the basis for making judgements to solve accounting problems. For this reason, and because of the explicit reference to the Framework in IAS 8.11b, it is applied without restriction in the preparation of the consolidated financial statements of YOUNIQ AG.

The additional disclosure requirements to be observed according to art. 315a HGB are listed among the notes in section 9.

2.2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements were prepared based on the assumption of a going concern. For further information on the continuation of the company as a going concern, please refer to the combined management report of YOUNIQ AG and the YOUNIQ Group for the 2014 financial year (section 4 – Forecast, risks and opportunities report).

The end of the reporting period is 31 December 2014. The financial year of YOUNIQ AG and all subsidiaries is the calendar year.

The reporting currency is euro (EUR), unless figures are rounded to thousands of euro (kEUR). This is also the functional currency of the Group. Transactions did not take place in foreign currencies in the reporting year. Rounding differences may occur when adding up rounded amounts and percentages due to the use of automated calculation aids, so certain figures may not add up precisely to the totals given.

The statement of cash flows was prepared according to the indirect method for net cash flow from operating activities and the direct method for net cash flow from investing and financing activities.

In accordance with IAS 1 and Accounting Interpretation no. 1 (RIC 1) of Deutsche Rechnungslegungs Standards Committee e.V., recognition in the statement of financial position distinguishes between non-current and current assets and liabilities. An asset shall be classified as current if

- the asset is expected to be realised within the normal operating cycle or intended to be sold or consumed within this period,
- the asset is primarily held for the purpose of trading,

- the asset is expected to be realised within twelve months of the end of the reporting period, or
- it is cash or a cash equivalent,

unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the end of the reporting period. All other assets are classified as non-current. A liability shall be classified as current if

- the liability is expected to be settled in the normal operating cycle,
- the liability is primarily held for the purpose of trading,
- the liability is due to be settled within twelve months of the end of the reporting period, or
- the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are generally classified as non-current assets or liabilities.

The definition of “affiliated companies” corresponds to that of art. 271 paragraph 2 HGB.

For further explanations on items of the statement of financial position and the statement of comprehensive income and other parts of the consolidated financial statements, refer to the commentary on the Group’s net assets, financial position and results of operations in the combined management report (section 2.2 – Business performance).

2.3. NEW ACCOUNTING STANDARDS

The International Accounting Standards Board (IASB) has issued new standards and interpretations or made amendments to existing standards and interpretations whose application is mandatory from 1 January 2014. However, standards and interpretations are only applicable in IFRS-based consolidated financial statements according to art. 315a HGB once they have been endorsed by the EU.

The new and revised IFRS standards and interpretations, as endorsed by the EU, were as follows in the 2014 financial year:

IFRS 10, IFRS 11 and IFRS 12

With the new standards IFRS 10 on consolidation, IFRS 11 on accounting for joint arrangements and IFRS 12 on corresponding disclosures, the IASB made extensive changes to the definition of the scope of consolidation and the accompanying reporting in the notes. As part of this project, the standards IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures were also amended. Further amendments were also made to adjust transition provisions to the new standards and for certain investment entities. Besides the expansion of disclosure requirements by IFRS 12, the reconception of the control relationship between parent and subsidiaries is of particular importance for the YOUNIQ Group. According to IFRS 10.7, control exists when an investor has power over an investee, is exposed to variable returns and is able to use its power over the investee to influence these returns. In this context, the regulations on potential voting rights (IFRS 10.B89 et seq.) were also changed, which has specific effects in the 2014 consolidation financial statements of YOUNIQ AG on the assessment of the consolidation obligation at AF ATHENA GmbH (sale of 94.9 % of the shares in AF ATHENA GmbH by share transfer agreement of 7 November 2014 with simultaneous granting of an irrevocable repurchase option – see section 2.8).

Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities

YOUNIQ AG has not identified any matters that come under the scope of the amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities.

Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities

IAS 32.42 et seq. govern the offsetting of financial assets and financial liabilities with the objective of adequately representing the entity's risk situation. The offsetting obligation is linked to the following two conditions:

- There is a current unconditional legal right to set off.
- The intention is to settle on a net basis or with a specially developed gross settlement system.

YOUNIQ AG has not identified any matters that come under the scope of the amendments to 32: Offsetting Financial Assets and Financial Liabilities.

Amendments to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets

Since the furnishings/fittings in student residences are no longer recognised in a separate item under property, plant and equipment (see section 2.10), the non-current assets that fall under IAS 36 in the event of impairment are of subordinate importance, so no or only minor impairment arises. Accordingly, the amendments to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets result in no additional disclosure requirements in the consolidated financial statements of YOUNIQ AG.

Amendments to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting

The YOUNIQ Group currently has neither derivative financial instruments nor related hedges. Accordingly, the amendments to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting have no effect on the consolidated financial statements of YOUNIQ AG.

IFRIC 21 Levies

IFRIC 21 Levies is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. It clarifies when a provision or a liability should be recognised. According to IFRIC 21, a liability is to be recognised when the event that triggers the obligation to pay a levy occurs. With the exception of land tax, there are currently no matters in the YOUNIQ Group that fall under the scope of IFRIC 21 Levies.

The following accounting standards issued by the IASB apply to financial years beginning on 1 January 2015 or later. The YOUNIQ Group intends to apply the standards listed below from their effective date or after their endorsement by the EU:

IFRS 9 Financial Instruments

IFRS 9, issued in July 2014, replaces the existing guidelines in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 contains revised guidelines on classifying and measuring financial instruments, including a new model of expected credit losses to calculate impairment on financial assets and new general accounting regulations for hedges. It also adopts the guidelines for the recognition and derecognition of financial instruments of IAS 39. IFRS 9 is effective for the first time for reporting periods beginning on or after 1 January 2018; early adoption is permitted. YOUNIQ AG is currently assessing the potential effects the adoption of IFRS 9 may have on its consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 provides a comprehensive model for determining whether, in what amount and when revenues are recognised. It replaces current guidelines on recognising revenue, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for the first time for reporting periods beginning on or after 01 January 2017; early adoption is permitted. YOUNIQ AG is currently assessing the potential effects the adoption of IFRS 15 may have on its consolidated financial statements.

Agriculture: Bearer Plants (amendments to IAS 16 and IAS 41)

These amendments require a bearer plant, defined as a living plant, to be recognised as an item of property, plant and equipment under the scope of IAS 16 Property, Plant and Equipment instead of IAS 41 Agriculture. The amendments are effective for the first time for reporting periods beginning on or after 1 January 2016, with early application permitted. This will have no effect on the consolidated financial statements of YOUNIQ AG, as the Group does not have any bearer plants.

The IASB has also issued other standards and amendments to standards, but their adoption is not yet mandatory and will not affect the Group.

2.4. MEASUREMENT

The consolidated financial statements were prepared on the basis of historical cost with the exception of certain items such as investment property, available-for-sale financial assets and derivative financial instruments. The measurement methods applied for the exceptions are described below:

FAIR VALUE MEASUREMENT

The YOUNIQ Group measures available-for-sale financial instruments and derivatives and investment property at fair value at the end of each reporting period. The fair values of financial instruments measured at amortised cost are disclosed in section 8.6.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement of fair value assumes that the transaction to sell the asset or transfer the liability takes place either in the:

- principal market for the asset or liability, or
- the most advantageous market for the asset or liability if there is no principal market.

The YOUNIQ Group must have access to the principal or most advantageous market.

The fair value of an asset or liability is measured using assumptions that market participants would apply when fixing the price for the asset or liability. It is assumed that the market participants act in their best economic interests.

The measurement of the fair value of a non-financial asset takes into account the ability of a market participant to generate economic benefit through the greatest and best use of the asset or its sale to another market participant who finds the greatest and best use of the asset.

The YOUNIQ Group applies measurement techniques that are appropriate under the respective circumstances and for which sufficient data is available for the measurement of fair value. As many significant, observable inputs as possible are to be used, and the use of unobservable inputs is to be kept as low as possible.

All assets and liabilities for which the fair value is determined or recognised in the financial statements are sorted into the fair value hierarchy described below, based on the inputs of the lowest level significant to the fair value measurement in its entirety:

- Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2 – Measurement technique in which the input of the lowest level significant to the fair value measurement in its entirety is directly or indirectly observable on the market
- Level 3 – Measurement technique in which the input of the lowest level significant to the fair value measurement in its entirety is not observable on the market

The YOUNIQ Group determines whether assets and liabilities recognised in the financial statements on a recurring basis have changed hierarchy level by reviewing the classification at the end of each reporting period (based on the inputs of the lowest level significant to the fair value measurement in its entirety).

The Management Board of the YOUNIQ Group determines the guidelines and procedures for recurring (e.g. for investment property and available-for-sale financial assets not traded on the stock market) and non-recurring (e.g. assets held for distribution from discontinued operations) measurements of fair value.

External valuers are brought in as a matter of principle for the measurement of significant assets, such as property and available-for-sale financial assets, and significant liabilities, such as contingent consideration. The decision as to whether to commission external valuers is made annually by the Management Board after discussing it with the Supervisory Board and obtaining the latter's approval. Selection criteria for external valuers include their market knowledge, reputation, independence and compliance with professional standards.

At the end of each reporting period, the Management Board analyses the performance of assets and liabilities that must be remeasured or reassessed according to the Group's accounting policies. In this analysis, the Management Board reviews the significant inputs that were applied to the last measurement by comparing the information in the measurement calculations with contracts and other relevant documents.

Together with the YOUNIQ Group's external valuers, the Management Board also compares the changes in the fair value of each assets and liability with corresponding sources to assess whether the respective changes are plausible.

In order to meet requirements for the disclosure of fair values, the YOUNIQ Group has defined groups of assets and liabilities on the basis of their nature, their characteristics and their risks as well as the levels of the above fair value hierarchy.

INVESTMENT PROPERTY

Investment property is appraised at the agreed selling prices, provided notarial sales agreements or purchase offers are available. If the YOUNIQ Group is committed under these sales agreements to perform reconstruction measures and / or cosmetic repairs on the properties to be sold, the costs expected for this are deducted from the value.

All other investment property (student residences) was appraised at fair value as of 31 December 2014 on the basis of valuation appraisals by the international property expert Cushman & Wakefield LLP, Frankfurt am Main. In the previous year, portfolio remainders were also appraised by CBRE GmbH, Frankfurt am Main.

Fair value was determined uniformly via the discounted cash flow method (DCF method) or the income capitalisation approach / residual value method. As in the previous year, the fair value was determined as the net present value, i.e. as the gross capital value of the future net cash flows less the transaction costs to be assumed by a potential buyer.

The assumptions and methods used in the determination of the fair value of investment property are supported by market data.

Cushman & Wakefield LLP appraisal:

The student residences are appraised on the basis of the DCF method. Student residences that are being constructed or developed for future use as investment property (current project developments) are appraised according to the internationally recognised residual value method. This value is calculated on the basis of the estimated value of the completed property (income capitalisation approach) less the estimated costs until completion and the financing costs and after deduction of a developer gain that covers the project risks and is adjusted to the respective stage of construction.

The costs until completion concern the remaining costs of construction and other additional costs (e.g. costs for architects, project management, energy consultancy services and fees). These costs – along with marketing costs – are also reflected in the appraisal. The appraisal applies one interest rate to all measurement units, taking into account the actual financing costs and the current situation on the money market.

The potential sales value of a completed student residence is determined according the following formula (simplified):

	Rental area of the student residence
x	Expert's estimate of the market rents
=	Gross income (rental area x market rent)
-	Reduction of gross income by management costs (e.g. maintenance at EUR 8/m², vacancy costs at EUR 1/m², 2 % rent default risk, reletting services at EUR 50/m², administrative expenses at EUR 240 per rented unit)
=	**Cash flow**
	Discounting based on the discount rate
=	Present value of cash flows
+	Net resale value (discounting of [NOI/cap rate])
=	Gross market value
-	Reduced by transaction costs (transfer tax, notary and agents' fees)
=	**Potential sales value**

Annex 3 to the notes to the consolidated statements shows the quantitative data used to measure the fair value of the student residences recognised as investment property.

Uncertainties and sensitivities

The assumptions made in the measurement of the property portfolio can subsequently turn out to be partially or fully incorrect or unexpected problems or unforeseen risks might arise in connection with property portfolios. Because of the high volume of investment property, such developments (which can also occur within a short period of time) could lead to a deterioration of the results of operations, a reduction of the value of the assets acquired and a considerable decline in the revenue that can be generated from the sale of residential property and current rents.

Besides the factors inherent in the property, the recoverability of real estate assets is determined primarily by the development of the property market, especially of the student housing segment, and the general economic situation. If the property market or general economic situation develops negatively, there is a risk that the measurements employed in the YOUNIQ Group might have to be corrected. If the Group's real estate assets have to be impaired, this would have a detrimental effect on the Group's net assets, financial position and results of operations.

A sensitivity analysis carried out by the property expert Cushman & Wakefield LLP on student residences constructed for future use as investment property is as follows:

- As of 31 December 2014, the fair values of the four completed student residences totalled kEUR 80,500 (previous year: kEUR 73,000).
- The measurement is based on the assumption that the vacancy rate will decline to 2.1 % (previous year: 2.1 %) in the long term. Should this not occur, this would adversely affect the fair values, which would increasingly decline as a result of the increasing vacancy rate.
- A 10 % increase [decrease] in assumed market rents would result in fair values totalling kEUR 89,300 (previous year: kEUR 81,600) [kEUR 71,700 (previous year: kEUR 64,340)].
- A 10 % increase [decrease] in the net initial yields derived from the market (current average of 2.74 % (previous year: 2.74 %) across all project developments) would result in fair values totalling kEUR 71,000 (previous year: kEUR 63,550) [kEUR 92,800 (previous year: kEUR 85,100)].

OTHER ASSETS MEASURED AT FAIR VALUE

The fair values of derivative financial instruments are determined on the basis of recognised measurement methods – as far as possible through mark-to-market measurement. This corresponds to level 2 in the fair value hierarchy according to IFRS 7 (measurement factors other than quoted market prices, which are directly or indirectly observable).

As of 31 December 2014, the YOUNIQ Group had no derivative financial instruments. In the previous year, the market values of interest rate derivatives (interest rate swaps and interest rate caps) were determined by Chatham Financial, London / UK, by discounting the expected future cash flow over the remaining term of the contract on the basis of current market interest rates and the yield curve. When determining the market value of a derivative financial instrument, compensation effects from the underlying transactions, such as pending contracts and anticipated transactions, are not taken into account.

Following the deconsolidation of Youniq Karlsruhe GmbH & Co. KG, Youniq Greifswald GmbH & Co. KG and Youniq München II GmbH & Co. KG in 2012, the residual shares in these companies (5.1 % in each case) are recognised as “available-for-sale financial assets” under “non-current primary financial instruments” in the statement of financial position. They are measured at fair value. The fair value is recognised as the interest-bearing loan granted by the buyer (6 % p.a.), which, including interest accrued, can be settled no earlier than 5.5 years after the payment date by means of an assignment of the residual shares to Elfte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG on the basis of corresponding contractual agreements.

2.5. ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in accordance with IFRS requires that assumptions and estimates be made that can affect the amount and disclosure of recognised assets and liabilities, of income and expenses and of contingent assets and liabilities.

In applying the accounting policies, the Management Board made judgements regarding the following matters:

- It must be decided whether non-current assets held for sale can be sold in their current state and whether their sale is very likely in the next twelve months. If this is the case, the investment property and property, plant and equipment concerned are recognised as “non-current assets held for sale”.
- With regard to the question as to whether the “Project Development” and “Renting and Trading Real Estate” segments form discontinued operations (according to IFRS 5.32a and b), it must be assessed in particular to what extent these Group segments will be sold in their entirety or in parts under a single (uniform) plan in the next twelve months or to what extent they will be discontinued through retirement, likewise under a single (uniform) plan.

- In the case of the acquisition of property, it must be determined whether the property is allocable to property, plant and equipment, inventories or investment property. If, on the acquisition date, it is impossible to clearly determine whether the property will be held as owner-occupied property or for short-term sale in the ordinary course of business, the property is treated as held for capital appreciation (catch-all provision according to IAS 40.8b).
- For the classification of leases, it must be determined whether all material risks and opportunities associated with ownership of the leased asset were transferred to the third party (see IAS 17.10 et seq.). A significant area of application for this is the assessment as to whether the conclusion of long-term rental agreements in connection with properties from the MPC deal results in a sale-and-lease-back transaction.
- Upon obtaining control over a subsidiary, it must be determined whether this transaction is classifiable as a business combination under IFRS 3 or as an acquisition of a group of assets and liabilities. As a rule, non-operating entities (known as "shelf companies") and newly founded entities do not have business operations on the date of acquisition and therefore do not constitute business combinations according to IFRS 3.

Estimates and assumptions are especially necessary for:

- Assessing the necessity and amount of impairment, particularly with regard to property recognised under inventories, goodwill and "loans and receivables".
- Determining the fair value of investment property and derivative financial instruments. Expected cash flows and the discounting factor are important measurement parameters here. There is increased estimation uncertainty and therefore greater scope for judgement in the measurement of student residences under construction in particular because of the relatively new business model and the consequently low number of comparable transactions in the market (see section 2.4).
- Determining the net realisable values of inventory properties with regard to changes in prices and costs.
- Recognising and measuring provisions.
- Determining the realisability of deferred tax assets from tax loss carry-forwards, whereby external factors outside the sphere of influence of YOUNIQ AG (e.g. possible changes in majority interests) cannot be considered, and, using tax planning based on corporate planning, whether sufficient tax profits will be available in the years to come to use the tax loss carry-forwards (see section 3.11).

Estimates are made on the basis of the latest available reliable information. The assets, liabilities, income, expenses and contingent assets and liabilities recognised on the basis of estimates can deviate from the amounts that can be realised in the future. Changes are recognised prospectively on the date better insight is obtained. Actual amounts may therefore differ from the assumptions and estimates made.

2.6. DISCONTINUED OPERATIONS

The Group companies in the "Renting and Trading Real Estate" and "Project Development" segments each constitute a separate cash-generating unit within the YOUNIQ Group. Under IFRS 5, these segments are therefore considered components of the entity, which can be allocated clearly distinguished cash flows both for operating and for financial reporting purposes. Since the criteria outlined below were all met in the fourth quarter of the 2012 financial year and have since continued to be met, the "Renting and Trading Real Estate" and "Project Development" segments must be recognised as discontinued operations in the consolidated statement of comprehensive income in accordance with the provisions of IFRS 5.

- These components of the YOUNIQ Group are to be sold under a single (uniform) plan in their entirety or in parts.
- The assets and liabilities are available for immediate sale in their present state.

- In January 2012, the Management Board defined the sales plan, which the Supervisory Board formally approved in the fourth quarter of the 2012 financial year.
- An active programme to find buyers and implement the plan has been initiated. In connection with this, external property service providers were initially commissioned to market the properties in the second and third quarters of the 2012 financial year. After it became foreseeable that this process would not lead to the desired result, in-house employees began marketing the properties in the fourth quarter of the 2012 financial year. By 31 December 2014, essentially all the properties had been sold and handed over to the buyers, with the exception of the commercial property in Brandenburg and a few smaller units. Sales agreements have already been concluded and recorded for the residuals.
- The remaining property portfolio (commercial property in Brandenburg) is very likely to be sold in 2015.

Besides the current earnings after income taxes of these segments and expenses of the "Services" segment that can clearly be allocated to discontinued operations, the separate presentation in the statement of comprehensive income also includes the gain or loss on remeasurement or disposal of discontinued operations. Please see Annex 2 to the notes to the consolidated financial statements for details of the results of discontinued operations.

2.7. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of YOUNIQ AG and its subsidiaries as of 31 December of any given financial year. The subsidiaries' financial statements are prepared using uniform accounting policies as of the same reporting date as the financial statements of the parent company.

Subsidiaries are entities controlled by the YOUNIQ Group. The YOUNIQ Group controls an entity when it is exposed to variable returns from its investment in the entity, has rights to these returns and is able to use its power over the entity to influence these returns. As a rule, the possibility of control arises if the share in the voting rights exceeds 50 %. The assessment of whether control exists takes account of potential voting rights that are currently exercisable or convertible.

The financial statements of subsidiaries are included in the consolidated financial statements from the date control begins until the date control ends. The regulations of IFRS 3 "Business Combinations" are applied to business combinations.

Business combinations are accounted for in accordance with the acquisition method. The costs of a business combination are measured according to the fair values of the assets given up and the liabilities incurred or assumed as of the acquisition date. Acquisition-related costs are expensed as incurred. The identifiable assets acquired and liabilities (including contingent liabilities) assumed in a business combination are measured at their fair values as of the acquisition date regardless of the amount of any non-controlling interests. Uniform accounting policies are applied. Any resulting positive difference is capitalised as goodwill and subsequently tested for impairment. If a negative difference remains after capital consolidation (acquisition at a price lower than market value), the identified assets, liabilities and contingent liabilities of the acquired entity, the non-controlling interests and the measurement of the consideration transferred for the business combination are re-evaluated. Any remaining surplus is recognised directly in income.

All costs associated with a business combination are expensed in the periods in which the expenses (e.g. legal and consulting costs, due diligence expenses, commissions) are incurred and the services are received. These costs are recognised in the statement of comprehensive income under "Acquisition costs and expenses from business combinations".

Changes in contingent consideration recognised as a liability at the acquisition date must subsequently be recognised in profit or loss.

Non-controlling interests are measured at their proportionate share in the fair value of the acquired assets and assumed liabilities. Non-controlling interests are not currently measured at fair value (full goodwill method).

After initial recognition, gains and losses are allocated in proportion to the interest held without restriction, which means that a negative balance can also arise from non-controlling interests.

For successive acquisitions, remeasurement must be carried out at the fair value of shares held on the date on which control was obtained.

The hidden reserves and charges disclosed upon fair value measurement of assets and liabilities on initial consolidation are amortised, written down or reversed in subsequent period in line with the performance of the assets and liabilities. In subsequent periods, goodwill is tested for impairment at least annually on a fixed date. Impairment is expensed immediately in the profit and loss account and not reversed in subsequent periods.

Deferred taxes required under IAS 12 are recognised on temporary differences from consolidation.

If the YOUNIQ Group loses control of a subsidiary, it derecognises the subsidiary's assets and liabilities and all associated non-controlling interests and other equity components (deconsolidation). Any gain or loss on deconsolidation is recognised in profit or loss. Any retained interest in the former subsidiary is measured at fair value on the date when control was lost.

If non-controlling interests are acquired in subsidiaries that are already fully consolidated, the difference between the purchase price of the shares in the subsidiary and the share in consolidated equity attributable to the non-controlling interest is set off directly against consolidated equity (retained earnings).

Transactions that do not result in a loss of control are recognised for non-controlling interests outside profit and loss as equity transactions. On the date control is lost, any remaining interests are remeasured at fair value and recognised in profit or loss.

All intragroup balances, transactions, income, expenses, gains and losses from intragroup transactions contained in the carrying amounts of assets are eliminated in full.

Non-controlling interests are reported separately within consolidated equity as "non-controlling interests". In contrast, non-controlling interests in (trading) partnerships are recognised as debt, provided they do not meet the equity definition according to the amended IAS 32.

2.8. SCOPE OF CONSOLIDATED FINANCIAL STATEMENTS

In addition to YOUNIQ AG, the consolidated financial statements also include the subsidiaries over which YOUNIQ AG can exert indirect or direct control. Control fundamentally results from holding the majority of voting rights. All subsidiaries are included in the consolidated financial statements by means of full consolidation. As in the previous year, there are no special purpose entities.

YOUNIQ AG did not identify any business combinations in the 2014 financial year. However, the following companies with no operations were acquired or founded in this period:

- Youniq Verwaltungs GmbH, Frankfurt am Main (formerly mertus 164. GmbH)
- Youniq Lübeck Paul-Ehrlich-Strasse GmbH, Frankfurt am Main (formerly mertus 167. GmbH)
- NewCo Potsdam GmbH & Co. KG, Frankfurt am Main (new company)
- NewCo Mainz GmbH & Co. KG, Frankfurt am Main (new company)
- AF Verwaltungs GmbH, Frankfurt am Main (new company)

In the second quarter of the 2014 financial year, the property company TURBO FRA GmbH, Frankfurt am Main, was deconsolidated after Corestate Turbo FRA HoldCo S.á r.l, Luxembourg, and TURBO FRA AcquiCo II GmbH & Co. KG, Frankfurt am Main, had accepted the irrevocable call option of CAMPUS REAL ESTATE GmbH and Youniq Service GmbH for the sale of their shares in TURBO FRA GmbH on 16 April 2014. The sale price for the shares was kEUR 200 in total as TURBO FRA GmbH's interim financing of the property was also assumed. In this context, CAMPUS REAL ESTATE GmbH also sold its receivable from TURBO FRA GmbH to Corestate Turbo FRA HoldCo S.á r.l and TURBO FRA AcquiCo II GmbH & Co. KG at a total price of kEUR 3,100 by way of identical agreements.

in kEUR	TURBO FRA GmbH
Date of deconsolidation	16.04.2014
Sale price, total	559
Of which sale price (cash)	200
Of which other	359
Voting rights sold (%)	100.00
Derivative financial instruments	143
Inventories (student residence Frankfurt/M. Riedberg II)	17,481
Trade receivables	3
Other short-term receivables and assets	2
Cash and cash equivalents	64
ASSETS, total	**17,693**
Liabilities to banks	13,750
Provisions	13
Liabilities to affiliated companies	3,535
Trade payables	77
Income tax liabilities	0
Other liabilities	64
LIABILITIES, total	**17,440**
Fair value of assets and liabilities sold	**252**
(Rental) income until deconsolidation	**466**
Profit/loss until deconsolidation	**(10)**

Effective 30 June 2014 (entry in the commercial register), AF ATHENA GmbH & Co. KG underwent a change in legal form and is now a Gesellschaft mit beschränkter Haftung (GmbH – limited liability company). Subsequently, YOUNIQ AG sold 94.9 % of the shares in AF ATHENA GmbH to Corestate Ben HoldCo GmbH & Co. KG, Frankfurt am Main, by way of a share transfer agreement dated 7 November 2014 with simultaneous granting of an irrevocable repurchase option. Although the sale has already been legally concluded, AF ATHENA GmbH has not yet been deconsolidated from the YOUNIQ Group because of the first-time application of regulations on potential voting rights (IFRS 10.B89 et seq. – see section 2.3). On the condition that Corestate Ben BidCo AG does

not acquire enough shares of YOUNIQ AG as part of the public takeover bid to attain a total share of 90 % or more of the shares of YOUNIQ AG, the Management Board of YOUNIQ AG was granted an irrevocable repurchase option. The suspensive condition occurred in December 2014. The repurchase option grants the Management Board of YOUNIQ AG the opportunity to reacquire the sold 94.9 % of the shares in AF ATHENA GmbH at the original purchase price. The commitment period for the buyer ends 24 months from the date of the agreed purchase price payment.

In the 2014 financial year, there were also the following intragroup mergers of subsidiaries, which had no effects on the consolidated financial statements:

- Youniq München GmbH
- Youniq Düsseldorf GmbH
- Youniq Reutlingen GmbH
- Youniq Dritte Objektgesellschaft mbH
- Youniq Vierte Objektgesellschaft mbH
- AF Trading GmbH
- AF Schlossresidenz GmbH
- AF Ferdinand-Lassalle-Strasse 16 GmbH
- AF 16. Vermögensverwaltung GmbH
- AF Röntgenstrasse 12 GmbH
- IVB Immobilien, Vermittlung und Beratung GmbH
- IVB Immobilien Vermögen und Beteiligungs GmbH
- AF 11. Vermögensverwaltung GmbH
- Haus- und Grundstücksgesellschaft Holzhausen mbH
- CAMPUS 1. Verwaltung GmbH

The personally liable partner, IVB Immobilien Vermögen und Beteiligungs GmbH, withdrew from AF Marienhöhe GmbH & Co. KG. On the same day, the sole limited partner AF Verwaltungs GmbH therefore assumed the commercial business of AF Marienhöhe GmbH & Co. KG with all assets and liabilities without liquidation by way of universal succession (accretion).

The companies included in the scope of consolidation as of 31 December 2014 are: (List of shareholdings according to art. 313 HGB):

OVERVIEW OF CONSOLIDATED GROUP AS OF 31 DECEMBER 2014

Company	Headquarters	Share (%)	Voting rights (%)	Note
YOUNIQ AG	Frankfurt am Main	Parent company		
AF Property GmbH	Frankfurt am Main	100.00	100.00	2)
Youniq Service GmbH	Frankfurt am Main	99.74	99.74	2)
Youniq Heidelberg GmbH	Frankfurt am Main	99.74	99.74	
Youniq 5. Vermögensverwaltung GmbH	Frankfurt am Main	99.74	99.74	2)
PF St.-Annen-Strasse GmbH	Frankfurt am Main	100.00	100.00	2)
CAMPUS REAL ESTATE GmbH	Frankfurt am Main	99.74	99.74	2)
AF ATHENA GmbH (formerly AF ATHENA GmbH & Co. KG)	Frankfurt am Main	94.90	94.90	3)
AF HEKATE GmbH & Co. KG	Frankfurt am Main	94.65	94.65	1)
Youniq Mainz GmbH	Frankfurt am Main	99.74	99.74	2)
NewCo Mainz GmbH & Co. KG	Frankfurt am Main	99.74	99.74	1)
Youniq Bayreuth GmbH	Frankfurt am Main	99.74	99.74	2)
AF Verwaltungs GmbH	Frankfurt am Main	100.00	100.00	
YOUNIQ Frankfurt Riedberg GmbH	Frankfurt am Main	99.43	99.43	
Youniq Verwaltungs GmbH (formerly mertus 164. GmbH)	Frankfurt am Main	100.00	100.00	
Youniq Potsdam GmbH	Frankfurt am Main	99.43	99.43	2)
NewCo Potsdam GmbH & Co. KG	Frankfurt am Main	99.43	99.43	1)
Youniq Lübeck GmbH	Frankfurt am Main	99.74	99.74	2)
Youniq Lübeck Paul-Ehrlich-Strasse GmbH (formerly mertus 167. GmbH)	Frankfurt am Main	99.74	99.74	

Note 1): In accordance with art. 264b HGB, these companies are exempt from the obligation to prepare, audit and publish annual financial statements and if applicable a management report according to the applicable provisions for corporations.

Note 2): In accordance with art. 264 paragraph 3 HGB, the relief is utilised that exempts these companies from the obligation to prepare, audit and publish annual financial statements and if applicable a management report according to the applicable provisions for corporations.

Note 3): As of the end of the reporting period, YOUNIQ AG holds no shares in AF ATHENA GmbH, but it does have a repurchase option for 94.90 % of the shares.

In their relationship to the parent company, the subsidiaries are not restricted in terms of transfer payments or dividends to the former.

2.9. CURRENCY TRANSLATION

The scope of consolidation includes only domestic subsidiaries, so there are no financial statements in foreign currencies that need to be converted.

2.10. ADJUSTMENTS TO ACCOUNTING AND PRESENTATION POLICIES IN ACCORDANCE WITH IAS 8

In comparison to previous years' consolidated financial statements, the furnishings/fittings in student residences were – with retroactive effect from 1 January 2013 – no longer reported separately under property, plant and equipment, but instead together with the respective student residences under investment property in accordance with IAS 40.50(b). The accounting policy was adjusted on the basis of the customary presentation in the property sector, as this makes the relationship with relevant rental income easier to identify. There are corresponding market value reports for 2012, 2013 and 2014 that include furniture in the fair value of investment property.

As well as the changes to the consolidated statement of financial position items "property, plant and equipment" and "investment property", adjustments were made in the consolidated statement of comprehensive income to "depreciation, amortisation and write-downs" and "profit/(loss) from changes in valuation of investment property". All adjustments are described in Annex 4 to these notes to the consolidated financial statements. It would be impossible to present the consolidated statement of financial position as of 31 December 2014 as it would have been without the change in accounting policy, because no fair values had been ascertained for non-furnished properties as of the end of the reporting period.

The previous year's statement of cash flows and segment disclosures were also adjusted accordingly.

3. ACCOUNTING METHODS

3.1. INTANGIBLE ASSETS

Intangible assets comprise licences, procurement rights and rights of use. They are recognised at amortised cost; if depreciable, they are written down on a linear basis over an estimated useful life of three years. There are no intangible assets with indefinite useful lives.

3.2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment recognised as assets are measured at cost on first recognition as per IAS 16.15. Cost comprises purchase prices and directly attributable ancillary costs.

Operating and office equipment is recognised at amortised cost. The amortisation mostly follows the straight-line method. The amortisation period is based on an expected useful life of 3 to 15 years.

The residual carrying amounts and useful economic lives of intangible assets and property, plant and equipment are examined at the end of each reporting period and adjusted if required (see section 3.3).

Gains and losses from disposals of intangible assets and property, plant and equipment are determined as the difference between the sale proceeds and the carrying amount, where applicable less directly attributable costs to sell, and recognised in profit or loss.

3.3. IMPAIRMENT OF ASSETS (IMPAIRMENT TEST ACCORDING TO IAS 36)

Intangible assets and property, plant and equipment are tested for impairment if the relevant events or changes in circumstances indicate that the carrying amount is no longer recoverable. An impairment loss is recognised to the extent by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use.

If reasons for impairment cease to exist, impairment losses are reversed to the amortised carrying amount that would have resulted if the impairment had not been recognised. If impairment was previously recognised on goodwill and other intangible assets with indefinite useful lives, it is not reversed in subsequent periods when the reasons for impairment cease to exist.

3.4. LEASES

All agreements that transfer the right to use a certain asset for a certain period in exchange for payment are considered leases. This also applies to agreements under which the transfer of such a right is not explicitly described.

Leases under which the lessee bears the material risks and enjoys the rewards of the leased asset are classified as finance leases; all other leases are operating leases.

The YOUNIQ Group uses property, plant and equipment and properties (under general rental agreements) as lessee, and lets its properties as lessor.

In accordance with IAS 17, a leased asset is allocated to the lessor or lessee according to how all material risks and opportunities associated with ownership of the leased asset are allocated.

Leases in which a significant portion of the risks and rewards of ownership of the leased asset are retained by the lessor are classified as operating leases. Payments made or received under an operating lease are charged to the profit and loss account over the period of the lease.

YOUNIQ AG and its subsidiaries, as lessors, extensively let properties (residences and commercial properties, where these are included in the residential buildings). The rental agreements are operating leases for which the payments are recognised immediately as revenue. In accordance with SIC 15, incentives connected to operating leases are distributed over the term of the lease.

3.5. INVESTMENT PROPERTY

Property is classified as investment property if it is held in order to generate rental income and/or for capital appreciation or is constructed or developed for future use as investment property (development projects) and the proportion of owner-occupied rental area does not exceed 10%. Otherwise, the property is accounted for as property, plant and equipment.

Investment property is measured initially at cost including any ancillary costs directly attributable to the acquisition.

Subsequently, the fair value model according to IAS 40.33 is chosen for the measurement of investment property (see section 2.4).

Gains and losses from changes in fair values are recognised in the profit and loss account in the year they arise. Investment property is derecognised when it is disposed of or permanently withdrawn from use and no future economic benefits are expected. Gains and losses from the retirement or disposal of investment property are recognised in the profit and loss account in the year of retirement or disposal.

3.6. INVENTORIES

In contrast to investment property, inventories are assets that are held for sale in the ordinary course of business, that are in production for such a sale or that are used in the production or products or in the performance of services. In the YOUNIQ Group, properties are therefore recognised as inventory assets if they were acquired with a view to resale within the normal operating cycle, were constructed for a specific resale or were initially classified as investment property but the development of the property was begun with a view to resale. In some cases, the “normal operating cycle” of inventory properties is much longer than twelve months, so this statement of financial position item contains assets that are recognised as current even if they are expected to remain in the portfolio for longer than a year.

Inventories are recognised at the lower of cost and net realisable value. The costs are determined using the average cost method or at acquisition prices. The costs of finished goods and work in progress include direct material and production costs, costs for planning/construction preparation, direct personnel costs, other direct costs and fixed and variable overheads systematically attributable to the project.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Net realisable value refers to the net amount that an entity expects to realise from the sale of inventories in the ordinary course of business.

3.7. FINANCIAL ASSETS AND LIABILITIES

3.7.1. Financial assets

Recognised financial assets are divided into the following categories:

- Loans and receivables (LaR)
- Available-for-sale (AfS)
- Financial assets held for trading (FAHfT)

Loans and receivables (trade receivables, other receivables and parts of other assets) are non-derivative financial assets with fixed or definable payments that are not listed on an active market. They arise when the YOUNIQ Group provides funds, goods or services to a debtor directly without any intention of trading the receivables.

Loans and receivables are recognised initially at fair value, which usually corresponds to cost including transaction costs, and at the end of subsequent reporting periods at amortised cost.

If there are doubts as to whether receivables are collectible, appropriate specific valuation allowances are recognised. Indications for this are late or sluggish payments, insolvencies and legal disputes in connection with missing or non-recoverable collateral. If, in a subsequent reporting period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. A subsequent reversal is recognised in profit or loss provided that the carrying amount of the asset does not exceed amortised cost at the date of the reversal.

Receivables are derecognised as soon as they are uncollectible.

Available-for-sale financial assets are non-derivative financial assets that were either assigned to this category or not assigned to any of the other aforementioned categories. They are measured at fair value outside profit or loss through offsetting against other reserves (revaluation reserve).

Regular way purchases and sales of financial assets are recognised as of the trade date.

Tests are carried out as of the end of each reporting period to ascertain whether there are any objective indications of an impairment of a financial asset. In the case of equity instruments that are classified as available-for-sale financial assets, a substantial or sustained decline in the fair value below the acquisition cost is considered an indication of impairment. If there is an indication of significant or permanent impairment of available-for-sale assets, they are written down to fair value. The cumulative losses previously recognised in equity outside profit or loss are then recognised in depreciation, amortisation and write-downs in profit or loss. Impairment losses recognised in profit or loss for equity instruments are not subsequently written back through profit or loss.

Financial assets held for trading (FAHfT) are recognised at fair value (market value) in profit or loss both on initial and subsequent measurement. They include financial assets held for trading and derivative financial instruments (with positive fair values). In the YOUNIQ Group, this relates only to derivatives.

Cash and cash equivalents (cash in hand and bank balances) are recognised at nominal value, which equates to fair value on account of their short-term nature.

3.7.2. Financial liabilities

Loans and other liabilities (financial liabilities at cost, FLAC) are initially recognised at fair value. They are subsequently measured at amortised cost. Differences in the liabilities between the proceeds (net of transaction costs) and the redemption amount are recognised in the profit and loss account spread over the term of the loan agreement using the effective interest method (using the original effective interest rate).

Liabilities are classified as non-current if the agreement provides for repayment only after twelve months.

Financial liabilities held for trading (FLHfT) are recognised at fair value (market value) in profit or loss both on initial and subsequent measurement. They include financial liabilities held for trading and derivative financial instruments (with negative fair values).

3.7.3. Derivative financial instruments and / or hedges

The YOUNIQ Group uses only interest rate swaps and caps as derivative financial instruments to minimise existing risks from interest rate increases. They are measured at market value initially and at the end of the reporting period. They are reported under their own separate item in the statement of financial position.

As well as by equity financing, the YOUNIQ Group's operations are also financed by non-current borrowing. In this context, variable-rate loans are concluded whose interest rates are linked to a base rate that is usually linked to the EURIBOR reference rate (European Interbank Offered Rate). YOUNIQ AG's basic risk management strategy is to hedge interest rate risk (i.e. the variability of the base rate) with contrary derivative transactions in order to make fixed payments and thus to make property financing more reliably measurable in the long term. The objective of cash flow hedging in the YOUNIQ Group is to hedge pre-existing variable-rate loans by contracting contrary derivative financial instruments. For this purpose, in some cases cash flow hedges (CFH) are established.

In a cash flow hedge, the changes in the market value of the hedging derivative are recognised in equity – in deviation from general measurement requirements for derivatives. If the cash flow hedge is not 100 % effective (but still within the required effectiveness range of 80 % - 125 %), the ineffective portion of the fair value of the hedge is not recognised in equity but directly in the profit and loss account. The changes in the market value of the hedge are allocated to the portion recognised in equity or the portion not recognised in equity but directly in the profit and loss account according to the following rule:

- The lower of the two following amounts are recognised in equity: Cumulative changes in the market value of the hedge versus cumulative changes in the market value of the hedged cash flows.
- If the cumulative changes in the market value of the hedge are greater than the cumulative changes in the market value of the hedged cash flows (overhedge), the difference is not recognised in equity but directly in the profit and loss account.
- However, if the cumulative change in the market value of the hedge is greater than the cumulative change in the market value of the hedged cash flows (underhedge), there is no effect on the profit and loss account.
- As for the effective portion, the value changes on execution of the hedged transaction initially recognised in equity are treated as follows:
  - If the hedged transaction directly results in expense or income (e.g. because variable interest rate risks have been hedged), the amount recognised in equity shall be derecognised at the same time and recognised in the profit and loss account.
  - If it is a financial asset or financial liability, the amount recognised in equity is derecognised only when the hedged item affects the profit and loss account.

Effectiveness generally refers to the quality of the hedging relationship and is defined as the degree to which the changes in the cash flow from the hedged transaction, if they result from the hedged risk, are offset by changes in the cash flow from the hedging instrument.

With regard to the future, high (prospective) effectiveness has to be expected for the entire (remaining) term of the hedging relationship. For this reason, the first (prospective) effectiveness test is carried out on the date on which the hedging relationship is established using the "critical term match" method.

A retrospective effectiveness test is then performed during the term of the hedging relationship. If the test is not passed, the hedging relationship is terminated immediately. Once a method for measuring effectiveness has been selected, it is retained throughout the term (except for justified exceptional cases) and applied consistently to comparable transactions.

3.8. (NON-CURRENT) ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

In accordance with IFRS 5, non-current assets to be sold by means of an asset deal are shown separately in the consolidated financial statements, provided a sale in their current state is possible and highly likely within the next twelve months. In the YOUNIQ Group, this is the case when a notarised sale agreement has already been concluded for an existing property at the end of the reporting period, under which the economic ownership or risks and opportunities associated with the property are to be transferred to the acquirer in the subsequent period. This category also covers all assets of the discontinued operations "Renting and Trading Real Estate" and "Project Development". For discontinued operations, the period required for settlement can be extended to beyond a year, because necessary measures can be taken only after a firm purchase commitment has been obtained.

A disposal group exists if a group of assets or a discontinued operation and liabilities directly associated with them are to be disposed of in a single transaction by means of sale or otherwise. The disposal group only contains liabilities that are to be assumed by the acquirer. Liabilities of the YOUNIQ Group that are to be repaid from the sales proceeds for the disposal group are not allocated to the disposal group.

A discontinued operation is a component of an entity that has either been disposed of or classified as held for sale, and:

- represents a major area of operations;
- is part of a single coordinated plan to dispose of a separate major area of operations or activities in one geographical region; or
- is a subsidiary acquired exclusively for the purpose of resale.

The sale items, disposal groups and discontinued operations are shown separately in the consolidated statement of financial position and the consolidated statement of changes in assets.

Non-current assets held for sale and discontinued operations are measured directly before reclassification according to the requirements currently applicable. Subsequently, with the exception of investment property measured according to the fair value model, the carrying amounts thus determined are compared to the net fair values (fair value less costs to sell) of the assets or disposal groups. They are recognised at the lower of carrying amount and net fair value. The subsequent measurement of individual non-current assets held for sale takes only changes in the net fair value into account.

3.9. PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

In the YOUNIQ Group, provisions are recognised if the Group has a present legal or constructive obligation due to a past event, if it is likely that economic resources will be spent to fulfil this obligation and if a reliable estimate can be made of the amount of the obligation. If a loss is anticipated from a contract, the YOUNIQ Group recognises the present obligation from the contract as a provision for an onerous contract.

The provision is measured according to IAS 37 with the best possible estimate of the scope of the obligation. Provisions that do not lead to an outflow of resources in the subsequent year are recognised at their settlement value discounted to the end of the reporting period, provided the time value of money is significant. The discount rate is based on pre-tax interest rates that reflect current market assessments of the time value of money and the risks specific to the liability.

No offsetting is performed against reimbursement rights.

If the amount of the obligation can be clearly determined and there is no doubt regarding its utilisation, the obligation is reported in the statement of financial position under trade payables or other non-current liabilities.

Contingent liabilities are not accounted for in the consolidated financial statements. However, they are disclosed on the notes to the consolidated financial statements if the outflow of resources embodying economic benefits is possible. Contingent assets are likewise not accounted for in the consolidated financial statements; however, they are disclosed on the notes to the consolidated financial statements if the inflow of economic benefits is possible.

3.10. SHARE-BASED PAYMENT (SHARE OPTIONS)

Beneficiaries can exercise the share options from the “YOUNIQ AG share option plan 2011” (see section 4.12.3) within a period of three years after the end of the waiting period of four years including the vesting periods (total term: seven years). The options can be exercised only by paying the exercise price. The exercise price for a YOUNIQ share upon exercising a share option is 110 % of the average closing auction prices of the YOUNIQ share on the Xetra trading platform of the Frankfurt stock exchange or a substitute electronic trading platform on the five trading days before the respective assignment date of the subscription rights. Subscription rights may not be exercised during the period starting two weeks prior to the end of each quarter and ending with the end of the first trading day following the publication of the results for the respective quarter, during the period starting two weeks prior to the end of the financial year and ending with the end of the first trading day following the publication of the results for the past financial year, or in the period starting six weeks before the Annual General Meeting of YOUNIQ AG and ending with the end of the first trading day following the Annual General Meeting of YOUNIQ AG.

The share options granted were classified and measured as equity-settled share-based payment transactions. The fair value of the share options is measured once on the grant date using a binomial model and considering the terms and conditions under which the share options were granted and not adjusted at the end of future reporting periods. The expense for the services received is recognised over the vesting period. At the end of future reporting periods, only the number of potentially exercisable options is adjusted with regard to the current expected future fluctuation among beneficiaries.

SHARE OPTIONS

	Share options 2014	Share options 2013
Development of virtual shares (number)		
As at 1 Jan.	66,000	66,000
Virtual shares granted during the reporting period	0	0
Virtual shares forfeited during the reporting period	0	0
As at 31 Dec.	**66,000**	**66,000**
Of which exercisable virtual shares	0	0
Parameter		
Exercise price	5.18 or 7.05 EUR/share	

Personnel expenses for services received during the financial year amounted to kEUR 26 (previous year: kEUR 27) [of which kEUR 26 is attributable to the 61,000 share options granted to the former Management Board member Mr Marcus Schmitz (previous year: kEUR 26)].

3.11. TAXES

3.11.1. Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised using the balance-sheet liability method. Deferred tax assets and liabilities are recognised for temporary differences between the tax base of assets and liabilities and their carrying amounts in the IFRS financial statements. In addition, deferred tax assets and liabilities are accounted for at Group level if they result from consolidation entries.

Deferred tax assets for temporary differences and tax loss carryforwards are recognised in the amount at which the temporary differences or not yet used tax losses can probably be set off against positive tax income in the future.

The deferred tax assets on tax loss carryforwards of the tax groups of YOUNIQ AG and Youniq Heidelberg GmbH, which constitute the majority of the tax loss carryforwards, are measured on the basis of current business planning for the next five years.

The current business plan would, like in the previous year, support the use of tax loss carryforwards of Youniq Heidelberg GmbH (on the basis of existing valuation appraisals for the property in Frankfurt am Main-Riedberg I, sufficient future taxable profits are anticipated), but nearly all existing tax loss carryforwards were lost, in the tax groups of both Youniq Heidelberg GmbH and YOUNIQ AG, due to the change of majority shareholder in October 2014. The current business plan does not foresee the use of the new tax loss carryforwards of YOUNIQ AG that arose towards the end of the 2014 financial year (kEUR 717 in corporation tax and kEUR 212 in trade tax).

Deferred tax assets are measured in accordance with the tax rates and laws that apply at the end of the reporting period or have been legislated to a substantial degree and are anticipated to be applicable at the time of the realisation of the deferred tax asset.

As in the previous years, an average tax rate of 31.925 % was used for the calculation of deferred taxes, which corresponded to the single corporation tax rate of 15.0 % plus the solidarity surcharge (5.5 %) and trade income tax (16.1 % on application of the assessment rate of the cities of Frankfurt am Main and Leipzig).

Deferred tax assets and tax liabilities are only netted under the narrowly interpreted conditions if they relate to the same tax authority for the same taxable entity. In this context, deferred tax assets and liabilities of kEUR 250 (previous year: kEUR 3,540) were netted as of 31 December 2014. Because the statement of financial position is structured according to maturity, deferred tax assets and liabilities are recognised under non-current assets or liabilities.

3.11.2. Value-added tax

Revenue, expenses and assets are recognised after deduction of value-added tax, with the exception of the following cases:

- If the value-added tax incurred on the purchase of assets or services cannot be claimed by the tax authority, the value-added tax is recognised as part of the cost of the asset for part of the expenses.
- Receivables and liabilities are recognised together with the value-added tax amount contained therein.

The value-added tax amount refunded by or transferred to the tax authority is recognised in the consolidated statement of financial position under “other current receivables and assets” or “other current liabilities”.

3.11.3. Taxes on income

The actual income tax receivables and income tax liabilities for the current period are measured at the amount expected to be refunded from or paid to the tax authority. The amount is calculated on the basis of tax rates and tax laws applicable at the end of the reporting period.

3.12. BORROWING COSTS

Borrowing costs are interest and other costs incurred by an enterprise in connection with the borrowing of funds.

Borrowing costs are capitalised as cost according to IAS 23 if they arise in connection with the acquisition or production of qualifying assets. The capitalisation of borrowing costs ends when the asset is completed.

All other borrowing costs are recognised in full as an expense in the period in which they are incurred.

3.13. GOVERNMENT GRANTS

Government grants are recognised when there is reasonable assurance that the entity will comply with the conditions attaching to them, and that the grants will be received.

The grants are recognised as income on a systematic basis over the periods in which the corresponding expenses for which they are intended to compensate are incurred or, in the case of investment property measured at fair value, set off against cost.

A grant for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income in the period in which it becomes receivable.

Grants related to income are presented in the statement of comprehensive income as “other property-related income and expenses” and explained in the notes to the consolidated financial statements.

If a grant becomes repayable, it is accounted for as a revision to an accounting estimate.

3.14. REVENUE RECOGNITION

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the amount of the income can be measured reliably. Revenue is measured at the fair value of the consideration received. Discounts, rebates, and value-added tax or other taxes are not taken into account. In addition, revenue recognition requires the fulfilment of the criteria listed below.

The Group's major revenue comprises rental income. For the recognition of rental income as revenue, see section 3.4 Leases.

In the case of sales transactions (e.g. of investment property or inventory property), revenue is recognised when all major economic opportunities and risks associated with ownership are transferred to the acquirer, the seller retains neither title nor effective control over the object of the sale, the revenue amount and the costs actually incurred or to be incurred in connection with the sale can be measured reliably, and it is sufficiently likely that the economic benefit of the sale will flow to the entity. Gains and losses from disposals of non-current assets are determined as the difference between the sale proceeds and the carrying amount, where applicable less directly attributable costs to sell, and recognised under revenue in profit or loss.

Revenue comprises:

- Net rents
- Incidental rent costs
- Revenues from services

Revenues from services (including passing on operating costs) are recognised according to stage of completion, which is determined using the cost-to-cost method.

Interest income and expenses are reported on an accrual basis taking into account the investment and / or loan amounts received and the applicable interest rates on the basis of contractual agreements.

4. NOTES TO THE STATEMENT OF FINANCIAL POSITION

4.1. INTANGIBLE ASSETS

The intangible assets comprise purchased software, purchase rights and goodwill.

2014 financial year (in kEUR)	Software	Goodwill	Total 2014	Total 2013
Cost				
As at 1 Jan.	234	251	485	482
Additions	62	5	67	3
Disposals	(0)	-	(0)	-
As at 31 Dec.	296	256	553	485
Abschreibungen				
Stand 1. Januar	204	251	455	430
Zugänge	22	5	27	25
Abgänge	(0)	-	(0)	-
Stand 31. Dezember	226	256	483	455
Gesamt	**70**	**–**	**70**	**30**

Additions in the 2014 financial year of kEUR 62 (previous year: kEUR 3) relate to purchased system and administration software, which will be amortised on a straight-line basis over the expected useful life of three years.

The additions to goodwill result from the acquisition of the shelf companies Youniq Verwaltungs GmbH, Frankfurt am Main, and Youniq Lübeck Paul-Ehrlich-Strasse GmbH, Frankfurt am Main (both in the "YOUNIQ – Student Housing" segment). The goodwill was immediately tested for impairment and subsequently written down in full.

4.2. PROPERTY, PLANT AND EQUIPMENT

In light of the amended accounting policy (see section 2.10), property, plant and equipment developed as follows in the reporting year:

2014 financial year (in kEUR)	**Operating and office equipment**	Total 2014	Total 2013
Cost			
As at 1 Jan.	1,182	1,182	995
Additions	40	40	192
Transfers	-	-	(5)
Disposals	(43)	(43)	-
As at 31 Dec.	1,179	1,179	1,182
Additions			
As at 1 Jan.	680	680	503
Additions	150	150	177
Disposals	(21)	(21)	-
As at 31 Dec.	809	809	680
Total	**370**	**370**	**502**

As in the previous year, property, plant and equipment includes the operating and office equipment of YOUNIQ AG and Youniq Service GmbH.

The additions concern operating and office equipment (including washing machines, dryers, cashcard systems, etc.) at purchase prices.

In addition, cashcard payment systems plus equipment were added in the 2012 financial year under a finance lease. Initial measurement was at the present value of the minimum lease payments (kEUR 75). As of 31 December 2014, the net carrying amount was kEUR 26 (previous year: kEUR 41).

The disposals were chiefly the result of selling washing machines in the property in Berzeliusstrasse, Munich.

The operating and office equipment and cashcard payment systems are usually depreciated on a straight-line basis over the estimated useful life of five years. The depreciation for the 2014 financial year also included one-time impairment on operating and office equipment in the “Services” segment of kEUR 19 (previous year: kEUR 16) to the recoverable amount (value in use) because of technological obsolescence.

4.3. INVESTMENT PROPERTY

The carrying amount of investment property developed as follows in the 2014 financial year:

FAIR VALUE OF INVESTMENT PROPERTY

in kEUR	2014	2013
As at 1 Jan.	80,582	90,877
Additions from acquisition	313	-
Additions from subsequent acquisition costs	2,217	35,797
Transfers according to IFRS 5 when classified as available for sale	(228)	(33,286)
Net gains (losses) from fair value measurement	(1,228)	(12,806)
As at 31 Dec.	81,656	80,582

Additions from acquisition include additional incidental costs of acquisition (agents' commissions) for the land in Lübeck.

Subsequent costs of acquisition and production (capitalised project development costs) of investment property include capitalised borrowing costs of kEUR 1,387 (previous year: kEUR 1,347). The capitalisation rate results from the borrowing on which the respective development project is based. The KfW investment subsidies grants allocated to the properties in Potsdam (kEUR 630) and Mainz (kEUR 500) were already recognised as acquisition cost reductions of as of 31 December 2013.

The transfers concern the reclassification of properties to "non-current assets held for sale" when there is a notarised sale agreement at the end of the reporting period. In the 2014 financial year, the remaining three residential property of YOUNIQ AG were classified as for sale, while the transfers in the previous year mainly related to the sale of properties in Munich (kEUR 14,177), Berlin (kEUR 12,100) and Göttingen (kEUR 4,430) and the reversal of the purchase agreement for land in Reutlingen (kEUR 1,704).

The properties were – if there was no sales price – appraised by the property expert Cushman & Wakefield LLP (student residences) at market value (fair value) as of 31 December 2014. Refer to section 2.4 for details on fair value.

The fair values are determined on the level of business units. Business units usually comprise the entire property (land, buildings, operating facilities, outdoor facilities, garages and fittings). Since 1 January 2013, the furnishings/fittings in student residences are no longer reported separately under property, plant and equipment, but instead together with the respective student residences under investment property in accordance with IAS 40.50(b) (see section 2.10).

There are no legal restrictions on the disposal of investment property; no actual restrictions on disposal can be identified. There were likewise no legal obligations to sell or purchase investment property at defined prices at the end of the reporting period.

Rental income from investment property amounted to around kEUR 3,838 in the 2014 financial year (previous year: kEUR 3,665). Operating expenses (kEUR 1,516; previous year: kEUR 2,209) directly attributable to investment property resulted mainly from operating costs and maintenance expenses.

4.4. NON-CURRENT PRIMARY FINANCIAL INSTRUMENTS

in kEUR	31.12.2014	31.12.2013
Available-for-sale financial assets		
5.1% residual shares in Youniq Karlsruhe GmbH & Co. KG	1,644	1,560
5.1% residual shares in Youniq Greifswald GmbH & Co. KG	545	517
5.1% residual shares in Youniq München II GmbH & Co. KG	523	495
Total	**2,712**	**2,572**

The remaining residual shares constitute financial investments in equity instruments classified as available-for-sale financial assets and accordingly measured at fair value outside profit or loss.

The YOUNIQ Group has an option to assign these equity instruments to Elfte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG, Hamburg, after a holding period of 5.5 years in order to repay the MPC loans (including accrued interest). Accordingly, the fair value is measured on the basis of the current value of the MPC loans.

4.5. NON-CURRENT RECEIVABLES

in kEUR	31.12.2014	31.12.2013
Remaining purchase price receivable from sale of Bielefeld property	275	-
Property-specific consulting services (TURBO Ö2 Liegenschaftsbesitzverwaltung GmbH)	99	-
Total	**374**	**-**

The remaining purchase price receivable (secured by a debt-securing mortgage) from the sale of the property at Feilenstr. 8, Bielefeld, will be repaid from 1 December 2015 with an annual instalment of kEUR 21. The receivable was recognised at fair value, using the maturity-matched interest rates for (hypothetical) zero-coupon bonds without default risk according to Deutsche Bundesbank of 31 December 2014.

The maturity of the receivables from TURBO Ö2 Liegenschaftsbesitzverwaltung GmbH for property-specific consulting services depends on the completion of the project in Vienna (expected at the end of August 2015) or the sale of the project. The final sale-dependent instalment of kEUR 100 is therefore reported at fair value as a non-current receivable.

4.6. INVENTORIES

As in the previous year, inventory assets (kEUR 2; previous year: kEUR 17,454) comprise properties to be sold on unaltered (properties held for trading).

In total, inventories developed as follows in the 2014 financial year:

ENTWICKLUNG DER VORRÄTE

in kEUR	2014	2013
Cost		
As at 1 Jan.	18,890	8,388
Additions	64	10,503
Disposals due to changes in consolidated group	(18,881)	-
Transfers	(71)	-
As at 31 Dec.	2	18,890
Additions		
As at 1 Jan.	1,436	-
Additions	-	1,436
Disposals due to changes in consolidated group	(1,400)	-
Transfers	(36)	-
As at 31 Dec.	-	1,436
Total	**2**	**17,454**

Additions resulted from continued construction relating to the student residence in Frankfurt am Main (Riedberg II). As in the previous year, no new inventory properties were acquired.

In the 2014 financial year, no borrowing costs were capitalised in the additions (previous year: kEUR 146). The capitalisation rate results from the borrowing on which the respective development project is based.

For information on the disposals due to change in the consolidated group, refer to the sale of TURBO FRA GmbH (student residence in Frankfurt am Main (Riedberg II)) in section 2.8.

The transfers were made to non-current assets held for sale (kEUR 35) as a component of discontinued operations.

According to current business planning, the inventory property (car park land) reported as of the end of the reporting period is highly likely to be sold in the 2015 financial year.

4.7. TRADE RECEIVABLES

in kEUR	31.12.2014	31.12.2013
Trade receivables	242	216
Apportionable operating costs	18	24
Gross receivables	**260**	**239**
Write-downs	(26)	(127)
Total	**234**	**112**

The trade receivables comprise rent receivables, invoiced operating costs and outstanding payments for services.

In the 2014 financial year, additions were made to the specific valuation allowance on trade receivables and receivables from invoiced construction contracts with customers and from sales of apartments (kEUR 3; previous year: kEUR 335). This was offset by utilisation / reversal of kEUR 104 (previous year: kEUR 280).

4.8. INCOME TAX RECEIVABLES

in kEUR	31.12.2014	31.12.2013
Corporation tax and solidarity surcharge	6	21
Total	**6**	**21**

4.9. OTHER CURRENT RECEIVABLES AND ASSETS

in kEUR	31.12.2014	31.12.2013
Residual receivables from sale of TURBO FRA GmbH	250	-
Reimbursement claims	234	142
Residual receivables from MPC deal (sale of Youniq Karlsruhe GmbH & Co. KG)	106	596
Residual receivables from sale of Munich properties	56	584
Receivable from Dr. St. Küntzle Beteiligungs II GmbH	55	-
Security deposits	45	68
Advance payment of invoices (prepaid expenses)	30	46
Residual receivables from MPC deal (sale of Youniq München II GmbH & Co. KG)	25	577
VAT reimbursement claims	9	12
Loans receivable from third parties	1	1
Receivables from KfW investment subsidies	-	1,130
Prepayments for project developments and property, plant and equipment	-	223
Creditors with debit balances	-	25
Other	11	25
Total	**823**	**3,430**

The residual receivables from the sale of the shares in TURBO FRA GmbH concern the security deposit held in a notary trust account.

There are reimbursement claims from insurers resulting as a result of damages (kEUR 248), a maintenance contract (kEUR 31) and share purchase agreements (kEUR 110). The reimbursement claims include specific valuation allowances of kEUR 155 (previous year: kEUR 172).

The residual receivables from the MPC deal concern security deposits for the purchase price by Elfte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG. The amounts are released following full processing of the residual defects at the properties in Karlsruhe and Munich and after the handover of the agreed documentation and operating licences.

The residual receivables from the sale of the student residence on Berzeliusstrasse, Munich (kEUR 56; previous year: kEUR 584) relate to the final purchase price component. It will be paid in accordance with the completion work still to be undertaken at the property. The residual receivable was already adjusted by a specific valuation allowance of kEUR 25 (previous year: kEUR 0).

The receivables from KfW investment subsidies (programme 153 – efficient building) reported in the previous year related to the properties in Potsdam (kEUR 630) and Mainz (kEUR 500). They were credited in the form of repayment subsidies for the existing property financing with the value date as of 31 March 2014.

The prepayments for project developments chiefly related to advances paid for student residences under construction. As the student residence in Bayreuth has since also been completed, there are no more prepayments for project developments.

4.10. CASH AND CASH EQUIVALENTS

The item cash and cash equivalents (continuing operations only) of kEUR 2,772 (previous year: kEUR 2,517) comprises cash and short-term bank deposits held within the Group.

Cash and cash equivalents of kEUR 589 (previous year: kEUR 637) are not readily available. As of 31 December 2014, these primarily related to fixed term deposits made as security for a legal dispute (kEUR 370), guarantee retentions (kEUR 128) and savings accounts for maintenance according to loan agreements (kEUR 55).

4.11. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale (kEUR 4,674; previous year: kEUR 17,945) comprise investment property for which there are already notarial sales agreements and other current and non-current assets of discontinued operations.

NON-CURRENT ASSETS HELD FOR SALE (INVESTMENT PROPERTY)

in kEUR	2014	2013
As at 1 Jan.	**11,335**	**21,448**
Reclassification from investment property	228	33,286
Disposals due to sale	(11,626)	(36,107)
Net gains/(losses) on fair value measurement	64	(7,293)
As at 31 Dec.	**-**	**11,335**

The investment properties disclosed in the previous year were attributable to the segments "YOUNIQ – Student Housing" (kEUR 8,600) and "Renting and Trading Real Estate" (kEUR 2,735).

The disposals relate mainly to the sale of properties on Iranische Strasse, Berlin (kEUR 8,600) and Gärtnergasse 2,4,6, Wurzen (kEUR 1,150) and a larger number of residential properties, apartments and parking spaces in Leipzig and the surrounding area.

NON-CURRENT ASSETS HELD FOR SALE (OTHER ASSETS)

in kEUR	31.12.2014	31.12.2013
Property, plant and equipment	1	1
Inventory property	3,596	4,706
Trade receivables	612	1,107
Income tax receivables	0	0
Other short-term receivables and assets	26	168
Cash and cash equivalents (restricted)	255	279
Cash and cash equivalents (non-restricted)	184	350
Total	**4,674**	**6,610**

The trade receivables comprise rent receivables, invoiced operating costs and outstanding payments for apartment sales. In the 2014 financial year, additions were made to the specific valuation allowance on trade receivables and receivables from invoiced construction contracts with customers and from sales of apartments (kEUR 195; previous year: kEUR 430).

The other assets shown here relate to the “Renting and Trading Real Estate” segment (kEUR 4,674; previous year: kEUR 5,747) and the “Project Development” segment (kEUR 0; previous year: kEUR 863).

4.12. EQUITY

Please see the statement of changes in equity for the development of equity.

4.12.1. Subscribed capital

As in the previous year, the subscribed capital (share capital) is divided into 10,400,000 ordinary bearer shares.

No dividend payments were resolved at the Annual General Meeting of 14 August 2014.

4.12.2. Authorised capital (not issued)

By resolution of the Annual General Meeting on 10 August 2011, the Management Board was authorised, with the permission of the Supervisory Board, to increase the company’s share capital by up to EUR 5,200,000 (50 % of the current share capital) by issuing new no-par-value bearer shares on one or more occasions on or before 9 August 2016 (authorised capital 2011 - art. 4 paragraph 4 of the Articles of Association of YOUNIQ AG). The new shares can be issued in exchange for cash contributions or contributions in kind.

For more information on authorised capital, see the notes on disclosures according to art. 289 paragraph 4 HGB and art. 315 paragraph 4 HGB in the combined management report of YOUNIQ AG and the YOUNIQ Group for the 2014 financial year (section 5.7.1 – Authorised capital (art. 4 paragraph 4 of the Articles of Association of YOUNIQ AG).

4.12.3. Contingent capital (not issued)

CONTINGENT CAPITAL 2011 / I (ART. 4 PARAGRAPH 5 OF THE ARTICLES OF ASSOCIATION OF YOUNIQ AG)

By resolution of the Annual General Meeting of 10 August 2011, the share capital was contingently increased by up to EUR 4,680,000 through the issue of up to 4,680,000 new, no-par-value bearer shares (contingent capital 2011 / I). The contingent capital increase is performed only insofar as holders or creditors of convertible bonds, bonds with warrants, profit participation certificates and / or income bonds (or combinations of these instruments) issued or guaranteed by YOUNIQ AG or its Group companies in exchange for cash from 10 August 2011 to 9 August 2016 (inclusive) on the basis of the Annual General Meeting’s authorising resolution utilise their conversion rights or options or corresponding conversion or option obligations are met and provided no other means of settlement are used to service these rights.

For more information on contingent capital 2011 / I, see the notes on disclosures according to art. 289 paragraph 4 HGB and art. 315 paragraph 4 HGB in the combined management report of YOUNIQ AG and the YOUNIQ Group for the 2014 financial year (section 5.7.2 – Contingent capital 2011 / I (art. 4 paragraph 5 of the Articles of Association of YOUNIQ AG).

CONTINGENT CAPITAL 2011 / II / "YOUNIQ AG SHARE OPTION PLAN 2011"

An Annual General Meeting resolution of 10 August 2011 authorised the Management Board, with the approval of the Supervisory Board, to establish one or more share option plans with which options to a total of up to 520,000 no-par-value bearer shares of YOUNIQ AG are issued to members of the Management Board and employees of YOUNIQ AG and to members of management and employees of YOUNIQ Group companies on one or more occasions by 9 August 2016.

For more information on contingent capital 2011 / II, see the notes on disclosures according to art. 289 paragraph 4 HGB and art. 315 paragraph 4 HGB in the combined management report of YOUNIQ AG and the YOUNIQ Group for the 2014 financial year (section 5.7.3 – Contingent capital 2011 / II / "YOUNIQ share option plan 2011").

4.12.4. Treasury shares

At the Annual General Meeting of 11 June 2010, the Management Board of YOUNIQ AG was authorised according to art. 71 paragraph 1 number 8 AktG, with the approval of the Supervisory Board, to acquire treasury shares totalling up to 10 % of the current share capital until 10 June 2015.

For more information on the repurchase of treasury shares, see the information in the combined management report of YOUNIQ AG and the YOUNIQ Group for the 2014 financial year (section 5.8 – Management Board's authority to repurchase shares).

As in the previous year, there were no treasury shares or convertible bonds as of 31 December 2014.

4.12.5. Capital reserve

The capital reserve of YOUNIQ AG changed as follows in the 2014 financial year:

in kEUR	2014	2013
As at 1 Jan.	**61,924**	**61,897**
Share option scheme	26	27
Effects from consolidation	23	-
As at 31 Dec.	**61,973**	**61,924**

4.12.6. Retained earnings

The retained earnings equity item comprises the statutory reserve according to art. 150 AktG (kEUR 48) and other retained earnings.

The other retained earnings relate mainly to reclassified losses of previous years, withdrawals from the capital reserve and effects of the acquisition of non-controlling interests. Retained earnings are structured as shown in the statement of changes in equity.

4.12.7. Revaluation reserve

2014 financial year (kEUR)	Available-for-sale financial assets	Income tax	Total
As at 1 Jan. 2014	**236**	**(75)**	**160**
Measurement effects	140	(45)	95
As at 31 Dec. 2014	**376**	**(120)**	**256**

2013 financial year (kEUR)	Available-for-sale financial assets	Income tax	Total
As at 1 Jan. 2013	**98**	**(32)**	**67**
Measurement effects	137	(44)	93
As at 31 Dec. 2013	**236**	**(75)**	**160**

This exclusively concerns items that are retroactively reclassified to consolidated net profit/(loss) for the period (profit and loss account) under certain circumstances (IAS 1.81A b).

4.12.8. Non-controlling interests

Shares of kEUR -19 (previous year: kEUR -44) in consolidated net profit/(loss) for the period and total comprehensive income related to non-controlling interests.

Non-controlling interests in (trading) partnerships to be recognised as liabilities already ceased to exist in previous years.

4.13. NON-CURRENT LIABILITIES TO BANKS

Liabilities to banks with a remaining term of more than one year are reported here for continuing operations. As of the end of the reporting period, this concerned a total of four loans, of which some had a fixed interest rate (interest rates between 1.25 % and 3.75 % p.a. as of the reporting date).

in kEUR	Original loan amount	End of fixed interest/ term	Interest rate in %	Type of interest	31.12.2014	31.12.2013
Mainzer Volksbank e.G.	10,000	30.11.2022	1.250	Fixed	8,505	8,883
Mainzer Volksbank e.G.	7,000	30.12.2023	3.750	Fixed	6,478	6,073
WGZ Bank AG	12,600	31.08.2022	1.800	Fixed	11,358	12,452
Berlin-Hannoversche Hypothekenbank	12,400	17.06.2016	Euribor plus Margin	Floating	11,763	11,999
Liechtensteinische Landesbank AG	5,000	30.06.2015	Euribor plus Margin	Floating	-	1,250
Total					**38,103**	**40,657**

Liabilities that have to be repaid in the 2015 financial year were reclassified to current liabilities to banks.

The non-current loans granted by WGZ Bank AG (original loan amount: kEUR 12,600) and Mainzer Volksbank e.G. (original loan amount: kEUR 10,000) to fund the project developments in Potsdam and Mainz are refinanced using funds from KfW Mittelstandsbank (programme 153 – efficient building). For energy-efficient building, a public repayment subsidy of 5 % of the loan amount promised on the date of acknowledgement was granted to the YOUNIQ Group and cleared for the respective loans as of 31 March 2014.

By way of the loan agreement dated 10 June 2011, Liechtensteinische Landesbank AG, Vaduz (Liechtenstein) had granted YOUNIQ AG a loan of kEUR 5,000 to be used to repay the credit facility still open provided by GOETHE INVESTMENTS S.à r.l. The loan was to be repaid annually in the amount of EUR 1,250,000 on 30 June from 2012 onwards. It bore interest at a floating rate (three-month EURIBOR plus premium). By way of agreement dated 29 April 2014, Liechtensteinische Landesbank AG sold the loan, which had been extended in the amount of EUR 2,500,000 (of which kEUR 1,250 long term) at that time, to CORESTATE IREI Holding S.A., Luxembourg (change of creditor) effective 20 May 2014.

All liabilities to banks are secured by registered land charges in the amount of the respective loan proceeds. In addition, in some cases, rights from tenancy and lease agreements, sales contracts and interest rate hedges are also assigned to the respective banks as collateral for liabilities to banks.

4.14. DEFERRED TAX LIABILITIES

in kEUR	31.12.2014	31.12.2013
Deferred tax liabilities		
Measurement differences in investment property	1,918	3,900
Other measurement differences	120	75
Less deferred tax assets (offsetting according to IAS 12.74)		
Measurement differences in investment property	250	1,343
Measurement differences in inventory property	-	1,078
Usable loss carryforwards (corporation tax)	-	567
Usable loss carryforwards (trade tax)	-	553
Total	**1,788**	**435**

The decline in deferred tax liabilities from measurement differences on investment property is a result of spinning off the Potsdam and Mainz operations to newly formed partnerships. In tax terms, this led to the realisation of hidden reserves with the result that tax carrying amounts (now higher) meant the loss of deferred tax liabilities from measurement differences on these properties ("YOUNIQ – Student Housing" segment).

Deferred tax assets from measurement differences on investment property and inventory property arose due to the waiver of tax write-downs to going concern value (measurement option in the tax accounts). In the 2014 financial year, the sale of the relevant properties meant the measurement differences largely disappeared.

The corporation and trade tax loss carryforwards determined as of the end of the reporting period were used in the calculation of deferred tax assets on tax loss carryforwards. Due to the change of majority shareholder at YOUNIQ AG on 20 October 2014, all tax loss carryforwards existing on this date ceased to exist in the fourth quarter of the 2014 financial year, which led to a corresponding loss of deferred tax assets.

4.15. DERIVATIVE FINANCIAL INSTRUMENTS

in kEUR	Type	Start	Maturity	Initial amount	Cur-rency	Fixed interest rate	Fair value 31.12.2014	Fair Value 31.12.2013
Derivative financial instruments with positive fair values								
Landesbank Berlin AG	Interest rate swap	07.01.2014	29.03.2019	13,250	EUR	1.500 %	-	288
Total				**13,250**			**-**	**288**

The YOUNIQ Group uses interest rate swaps and interest rate caps as derivative financial instruments to minimise existing risks from interest rate increases. They are measured at market value initially and at the end of the reporting period.

The interest rate cap at Landesbank Berlin AG was sold in April 2014 in the amount of the original acquisition costs (up-front fee of kEUR 300) to Corestate Turbo FRA HoldCo S.á r.l.

4.16. NON-CURRENT PROVISIONS

in kEUR	2014	2013
As at 1 Jan.	**1,647**	**-**
Increase on the basis of discounting effects	67	-
Addition	89	1,647
As at 31 Dec.	**1,803**	**1,647**

The non-current provisions relate exclusively to anticipated losses from general rental agreements with Elfte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG or its property companies. The calculation was based on the difference between guaranteed general rental payments and letting costs and the estimated income from subletting the affected student residences in Munich, Greifswald and Karlsruhe. The general rental agreements are measured as a business unit as they could only be concluded together and were part of the overall MPC deal. The assumptions regarding the costs of future refurnishing and annual rental increases from subletting were re-estimated compared to the previous year. The interest rate structure for (hypothetical) zero-coupon bonds without default risk published at the end of the respective reporting period by Deutsche Bundesbank was used to discount future cash flows. Risks and opportunities were accounted for in the future cash flows.

4.17. OTHER NON-CURRENT LIABILITIES

in kEUR	31.12.2014	31.12.2013
MPC loans	2,712	2,572
Security deposits	79	352
Lease liabilities (long term)	13	29
Total	**2,804**	**2,953**

Elfte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG, Hamburg, granted the YOUNIQ Group non-current loans ("MPC loans") in connection with the sale of 94.9 % of the shares in Youniq Karlsruhe GmbH & Co. KG, Youniq Greifswald GmbH & Co. KG and Youniq München II GmbH & Co. KG. The loans have a term of six years and a fixed interest rate of 6 % p.a. The YOUNIQ Group has an option to repay the loans plus accrued interest by assigning the residual shares in the above companies after a holding period of 5.5 years.

The security deposits largely concern retentions from subcontractors until the expiry of the warranty period.

Lease liabilities result from the long-term leasing of operating and office equipment (cashcard payment systems plus equipment). The lease was classified as a finance lease as the present value of the minimum lease payments initially equalled at least the fair value of the asset.

4.18. OTHER CURRENT PROVISIONS

in kEUR	2014	2013
As at 1 Jan.	**3,318**	**466**
Change due to consolidation measures	(3)	-
Utilisation	(2,738)	(446)
Reversal	(133)	(11)
Addition	703	3,308
As at 31 Dec.	**1,146**	**3,318**

COMPOSITION OF OTHER SHORT-TERM PROVISIONS

in kEUR	31.12.2014	31.12.2013
Outstanding invoices (e.g. consulting costs, operating costs)	746	231
Warranties and elimination of defects	295	574
Costs of Annual General Meeting, publications	50	75
Provision for subsequent costs from invoiced contracts	34	-
Personnel costs and Supervisory Board remuneration	20	68
Proceeds from the reversal of sales agreements (MPC deal)	-	1,822
Anticipated losses from open contracts	-	379
Other	-	168
Total	**1,146**	**3,318**

A provision was recognised for warranty obligations and the elimination of defects from properties sold in previous years and construction contracts. Measurement was based on empirical values for past repairs and complaints. The majority of the provision is expected to be used within the 2015 financial year.

On conclusion of the termination agreement with Elfte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG (MPC deal) on the sale of the property in Frankfurt am Main (Riedberg II), a provision for obligations from the reversal of sales agreements was recognised as a liability in the previous year for the obligation from the agreed key money and compensation payments. The exact amount of the obligations depended partially on the date of the execution of the termination agreement, which was implemented in the first quarter of the 2014 financial year.

The provision for anticipated losses from open contracts related to the expected surplus obligation from a procurement transaction for furniture (kEUR 100), the termination agreement with regard to the rental agreement for the business premises of YOUNIQ AG in Frankfurt am Main (kEUR 200) and commission payments (kEUR 79). Negotiations for all contracts were finalised in the middle of the 2014 financial year.

4.19. INCOME TAX LIABILITIES

in kEUR	31.12.2014	31.12.2013
Trade tax	110	83
Total	**110**	**83**

4.20. CURRENT LIABILITIES TO BANKS

in kEUR	Original loan amount	End of fixed interest/ term	Interest rate in %	Type of interest	31.12.2014	31.12.2013
Deutsche Genossen-schafts-Hypothekenbank AG	9,000	30.06.2015	Euribor plus Margin	Floating	9,069	8,964
Mainzer Volksbank e.G.	17,000	2015	1,250 bzw. 3,750	Fixed	699	1,210
WGZ Bank AG	12,600	2015	1,800	Fixed	516	148
Berlin-Hannoversche Hypothekenbank	12,400	2015	Euribor plus Margin	Floating	257	259
Berlin Hyp AG	14,200	31.10.2014	Euribor plus Margin	Floating	-	11,561
Postbank AG	5,730	31.12.2014	5,380	Fixed	-	5,471
Liechtensteinische Landes-bank AG	-	30.06.2014	Euribor plus Margin	Floating	-	1,250
Other (< kEUR 300, incl. current account liabilities)	-	-	-	-	-	22
Total					**10,542**	**28,885**

The current repayment portions of otherwise non-current loans are also reported under current liabilities to banks.

The loan from Deutsche Genossenschafts-Hypothekenbank AG is repayable on 30 June 2015. Appropriate contract negotiations for follow-up financing are currently under way with various banks.

The loan from Berlin Hyp AG (kEUR 11,561) was removed from the Group in connection with the deconsolidation of TURBO FRA GmbH.

The loan from Postbank AG (kEUR 5,471) was repaid early on 10 February 2014 from the proceeds of the sale of the property in Berlin.

Effective 20 May 2014, Liechtensteinische Landesbank AG, Vaduz (Liechtenstein) sold its loan to CORESTATE IREI Holding S.A., Luxembourg (change of creditor). For further information, refer to sections 4.13 and 9.6(a).

4.21. LIABILITIES TO AFFILIATED COMPANIES

in kEUR	31.12.2014	31.12.2013
Non-current	3,252	-
CORESTATE IREI Holding S.A.	**2,500**	**-**
Corestate Ben BidCo AG	752	-
Current	**107**	-
CORESTATE IREI Holding S.A. (aufgelaufene Zinsen)	107	-
Total	**3,359**	**-**

For information on liabilities to affiliated companies, refer to section 9.6.

4.22. TRADE PAYABLES

in kEUR	31.12.2014	31.12.2013
Outstanding construction cost invoices from the scope of services as of the reporting date	734	2,465
Trade payables	540	1,848
Financial statement and audit costs	283	326
Tenants' advance payments for incidental costs	15	22
Total	**1,572**	**4,661**

Outstanding construction cost invoices from the scope of services as of the end of the reporting period concern construction services already rendered but not yet invoiced or otherwise accounted for. They essentially relate to the project developments reported under investment property (including the completion work still to be carried out on the sold property in Berzeliusstrasse, Munich).

The trade payables mainly comprise suppliers' receivables from ongoing construction operations and for purchased (consulting) services. In addition, the advance heating and operating cost payments (prepayments of incidental rent costs) are reported until they are finally settled with the tenant.

The trade payables do not bear interest and are generally due within between 30 and 60 days.

4.23. OTHER CURRENT LIABILITIES

in kEUR	31.12.2014	31.12.2013
Bearer bond of Youniq Potsdam GmbH	5,027	4,984
Liabilities to employees and members of the Management Board	306	442
Obligations to pay compensation	150	150
Wage and church tax liabilities	59	37
Prepaid rent	44	141
Lease liability (current)	16	15
Purchase price liabilities from the acquisition of shares	12	100
Security deposits received	6	4
Liabilities from social insurance	1	5
Liabilities from value-added tax	1	0
Advance payments received from property sales	-	750
Deferred rent-free periods business premises Frankfurt am Main	-	32
Other	62	56
Total	**5,684**	**6,716**

With a global certificate (securities identification number (WKN) A1RE6N/ISIN DE00A1RE6N9) of December 2012, the Group company Youniq Potsdam GmbH issued a bearer bond with a total nominal value of kEUR 5,000 to finance the real estate project development in Potsdam. The bearer bond had a term from 17 December 2012 (issue date) to 17 December 2014 and bore a fixed interest rate of 13 % p.a. It was secured by Group companies that pledged their shares in Youniq Potsdam GmbH as collateral. On 15 December 2014, the bearer bond was extended to 17 June 2015, maintaining the interest rate and the collateral.

The liabilities to employees and members of the Management Board mainly relate to obligations from employment contracts (bonuses) and holidays not taken (kEUR 306; previous year: kEUR 307). In the previous year, there were also anticipated obligations from the termination and early release of an employee (kEUR 135).

The obligations to pay compensation (kEUR 150) result from the ruling by Lübeck Regional Court on 21 August 2013 regarding the development of a property located in Lübeck. The liability secured by land charge is payable by no later than 20 August 2015.

As in the previous year, the purchase price liabilities from the acquisition of shares concern the remaining purchase price of kEUR 12 (previous year: kEUR 100) from the acquisition of shares in the Group company Youniq Potsdam GmbH, which has not yet fallen due.

4.24. LIABILITIES IN CONNECTION WITH AVAILABLE-FOR-SALE ASSETS

The liabilities in connection with available-for-sale assets comprise the current and non-current liabilities of discontinued operations.

in kEUR	31.12.2014	31.12.2013
Liabilities to banks	2,912	5,104
Provisions	954	1,682
Trade payables	1,170	1,437
Prepayments received	255	255
Income tax liabilities	6	60
Other liabilities	360	362
Total	**5,657**	**8,900**

All liabilities to banks are secured by registered land charges in the amount of the respective loan proceeds. In addition, in some cases, rights from tenancy and lease agreements and sales contracts are also assigned to the respective banks as collateral for liabilities to banks.

5. NOTES TO THE PROFIT AND LOSS ACCOUNT

5.1. RENTAL INCOME (CONTINUING OPERATIONS)

Rental income breaks down as follows:

in kEUR	2014	2013
Rental income – student apartment flat-rate rent	8,566	7,648
Rental income – parking spaces	152	128
Rental income – residential units	17	445
Rental income – commercial units	13	16
Rental income – other	1	11
Rent decreases, vacancy	(25)	(37)
Total	**8,725**	**8,210**

As in the previous year, all rental income was generated exclusively in Germany.

“Rental income – student apartment flat-rate rent” includes sublease payments of kEUR 4,153 (previous year: kEUR 4,155).

For property-specific key figures for each segment, refer to the combined management report (section 1.1.4 – Business performance and development of the property portfolio).

5.2. REVENUE FROM SERVICE CHARGES (CONTINUING OPERATIONS)

Revenue from service charges (kEUR 7; previous year: kEUR -7) relates to heating and operating costs to be charged to tenants.

The low revenue from service charges is due to the fact that student apartments are let exclusively for a “flat-rate rent” (“One price for everything » including all incidental costs”).

5.3. RENTAL EXPENSES (CONTINUING OPERATIONS)

in kEUR	2014	2013
General rents to MPC (properties in Karlsruhe)	(1,661)	(1,631)
General rents to MPC (properties in Greifswald)	(596)	(585)
General rents to MPC (properties in Munich)	(475)	(466)
General rents to uniVersa Versicherung (property in Erlangen)	(276)	(473)
Anticipated losses from general rental agreements (MPC fund)	(89)	(1,647)
Total	**(3,096)**	**(4,803)**

The expense for anticipated losses from general rental agreements with Elfte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG or its property companies (MPC fund) relates to the addition to the provision. For more information, refer to the explanations in section 4.16.

5.4. PROPERTY-RELATED OPERATING EXPENSES (CONTINUING OPERATIONS)

in kEUR	2014	2013
Operating costs (energy, gas, water, etc.)	(1,200)	(1,262)
Cleaning, waste disposal	(409)	(359)
Telecommunications	(385)	(218)
Property-related legal advice	(243)	(251)
Letting commissions, broker fees	(205)	(230)
Ongoing maintenance	(137)	(478)
Non-deductible input tax	(129)	(82)
Land tax	(96)	(102)
Expenses for property management	(87)	(221)
Upkeep of outside areas	(46)	(20)
Caretaker costs	(23)	(35)
Court costs, dunning fees	(21)	(20)
Security	(1)	-
Building insurance (contributions, compensation)	40	185
Other property-related operating costs	(53)	(242)
Total	**(2,995)**	**(3,334)**

5.5. OTHER PROPERTY-RELATED INCOME AND EXPENSES (CONTINUING OPERATIONS)

in kEUR	2014	2013
Acceptance and processing fees	661	481
Settlement of a property-specific consulting service	300	-
Income from the management of student apartments for third parties	220	182
Income from the use of washing machines	144	88
Income from services for tenants and third parties	82	137
Other property-related income	50	26
Other property-related income (other periods)	-	11
Property-specific consulting	(30)	(363)
Obligations to pay compensation	-	(500)
Total	**1,426**	**62**

All income from property-specific consulting services was generated in other EU countries.

5.6. PROFIT / (LOSS) FROM THE SALE OF REAL ESTATE ASSETS (CONTINUING OPERATIONS)

in kEUR	2014	2013
Revenue from the sale of real estate assets	8,943	18,340
Sales proceeds from investment property	8,930	18,296
Other sales proceeds	13	43
Book value of real estate assets sold	(8,828)	(18,579)
Book value of investment property sold	(8,828)	(18,579)
Book value of inventory property sold	-	-
Cost of sales	(192)	(5,653)
Cost of the rescission of Riedberg II sales agreement (MPC deal)	-	(3,122)
Commissions and selling expenses	(22)	(614)
Write-down on MPC deal purchase price receivable (property München II)	-	(450)
Expenses for warranties	(170)	(1,467)
Acquisition costs and expenses from mergers	-	(8)
Other costs, subsequent costs	-	(8)
Income/(expenses) from the purchase/sale of real estate companies	(153)	-
Amortisation of goodwill	(5)	-
Losses from deconsolidations TURBO FRA GmbH	(128)	-
Other consolidation effects	(20)	-
Total	**(230)**	**(5,900)**

5.7. PROFIT / (LOSS) FROM CHANGES IN VALUATION OF INVESTMENT PROPERTY (CONTINUING OPERATIONS)

in kEUR	2014	2013
Value increases in connection with ongoing valuation	1,054	535
Value increases in connection with sales (sale prices)	3	-
Value decreases in connection with sales (sale prices)	-	(4,330)
Value decreases in connection with ongoing valuation	(2,284)	(13,342)
Total	**(1,228)**	**(17,136)**

5.8. PERSONNEL AND ADMINISTRATIVE EXPENSES) (CONTINUING OPERATIONS)

in kEUR	2014	2013
Personnel expenses	**(1,515)**	**(1,507)**
Wages and salaries (employees and Management Board members)	(1,266)	(1,279)
Statutory social security contributions	(218)	(218)
Other personnel expenses	(30)	(11)
Administrative expenses	**(2,075)**	**(2,845)**
Legal and consulting costs	(842)	(854)
Rents, occupancy costs	(283)	(512)
Stock exchange costs, costs for publications, etc.	(269)	(362)
Costs for auditing, preparation and consulting (financial statement costs)	(183)	(295)
Costs for IT hardware and software	(110)	(120)
Travel costs	(107)	(141)
Insurance	(75)	(79)
Costs for projects not carried out	(70)	(223)
Office and communication costs	(60)	(91)
Costs for tax consulting	(29)	(62)
Costs of property valuation	(27)	(80)
Recruitment	(21)	(25)
Other	**130**	**(42)**
Total	**(3,459)**	**(4,394)**

Including discontinued operations, total personnel expenses amounted to kEUR 2,305 in the 2014 financial year (previous year: kEUR 2,891). This includes pension scheme contributions (employer contribution) of kEUR 124 (previous year: kEUR 135).

On average, 39 staff (previous year: 42) were employed during the year. As of 31 December 2014, the headcount was 35 (previous year: 42).

Personnel expenses include preventively expenditures for non-competition of kEUR 100 (previous year: kEUR 20) and termination benefits (compensation payment) of kEUR 0 (previous year: kEUR 288). kEUR 100 (previous year: kEUR 20) of this was attributable to a former Member of the Management Board and kEUR 0 (previous year: kEUR 260) to senior staff.

5.9. GENERAL SELLING AND MARKETING EXPENSES (CONTINUING OPERATIONS)

The selling and marketing expenses (kEUR 254; previous year: kEUR 281) primarily include representation expenses and selling costs. These include in particular general commissions from the sale of residential properties and apartments in student residences, the cultivation of the “YOUNIQ” brand and participation at trade shows.

5.10. DEPRECIATION, AMORTISATION AND WRITE-DOWNS (CONTINUING OPERATIONS)

in kEUR	2014	2013
Depreciation of property, plant and equipment	(131)	(161)
Amortisation of intangible assets	(22)	(25)
Depreciation of inventories	-	(1,436)
Write-downs on property, plant and equipment	(19)	(16)
Total	**(172)**	**(1,638)**

5.11. INTEREST INCOME (CONTINUING OPERATIONS)

in kEUR	2014	2013
Interest income according to art. 233a AO	86	18
Interest income from short-term investing	5	5
Other	14	-
Total	**104**	**23**

Other interest income includes kEUR 14 from rolled-up interest on a non-current receivable.

5.12. INTEREST EXPENSES (CONTINUING OPERATIONS)

in kEUR	2014	2013
Interest expenses	(2,089)	(2,735)
Interest from bank loans	(1,208)	(1,941)
Interest expenses from bearer bond	(650)	(650)
Interest from MPC loans	(140)	(140)
Interest expenses according to art. 233a AO	(17)	(2)
Interest expenses from accrual on provisions	(74)	(2)
Less capitalised borrowing costs	40	1,131
Project developments in investment property	40	985
Project developments in inventory property	-	146
Total	**(2,049)**	**(1,604)**

Capitalised interest on borrowed capital relates to the property in Bayreuth (kEUR 40; previous year: kEUR 163). In the previous year, interest on borrowed capital was also capitalised in the costs of the inventory property in Frankfurt am Main-Riedberg II (kEUR 146) and the investment properties in Potsdam (kEUR 624) and Mainz (kEUR 198).

5.13. OTHER FINANCIAL INCOME/(FINANCIAL EXPENSES) (CONTINUING OPERATIONS)

in kEUR	2014	2013
Other financial income	300	118
Income from the sale of derivative financial instruments	300	-
Income from the valuation of derivative financial instruments	-	118
Other financial expenses	(409)	(1.089)
Expenses from the valuation of derivative financial instruments	(145)	(11)
Financing fees and prepayment penalties	(130)	(946)
Interest to affiliated companies	(109)	-
Bank fees	(24)	(30)
Expenses from the termination of derivative financial instruments	-	(103)
Total	**(109)**	**(971)**

5.14. INCOME TAX - INCOME / (EXPENSE) (CONTINUING OPERATIONS)

According to IAS 12, the income tax for the period comprises current taxes on income and deferred taxes.

in kEUR	2014	2013
Deferred taxes	79	(8,612)
Taxes on income (current year)	(0)	(0)
Backpayment of taxes for previous years	(154)	-
Tax refunds for previous years	239	-
Total	**164**	**(8,612)**

Tax receivables and tax liabilities are reported separately in the statement of financial position.

The actual income tax expense is based mainly on the applicable rules for determining taxable profit at YOUNIQ AG as parent company and is derived from the separate financial statements of YOUNIQ AG and all consolidated Group companies that are prepared in line with tax regulations. Most Group companies are included in YOUNIQ AG's fiscal unit for corporation and trade tax purposes. The reassessment of the future use of tax loss carryforwards of YOUNIQ AG performed as of the end of the reporting period led in particular to the write-down of deferred tax assets.

5.15. TAX RECONCILIATION

According to IAS 12, the total income tax for the period (including discontinued operations) comprises current taxes on income and deferred taxes:

in kEUR	2014	2013
Deferred taxes (continuing operations)	79	(8,612)
Deferred taxes (discontinued operations)	(1,387)	944
Taxes on income (continuing operations)	85	(0)
Taxes on income (discontinued operations)	153	5
Total	**(1,069)**	**(7,663)**

This results in the following reconciliation:

in kEUR	2014	2013
Consolidated net profit/(loss) before income taxes	(5,129)	(46,419)
Tax rate	31.93 %	31.93 %
Expected (tax income)/tax expense	**(1,637)**	**(14,819)**
Unusable loss carryforwards	1,334	7,810
Effects relating to other periods	1,119	8,060
(Tax refunds)/additional payments for previous years	535	308
Non-deductible expenses	151	603
Trade tax effects (deviating assessment basis)	-	5,590
(Write-ups)/write-downs on loss carryforwards of the previous year	-	111
Measurement effects according to IAS 12.51 (probability of realisation)	(207)	-
Effects of restructuring	(2,364)	-
Total	**(1,069)**	**7,663**
Effective tax rate	20.85 %	-16.51 %

5.16. EARNINGS PER SHARE

In accordance with IAS 33, earnings per share are calculated by dividing the consolidated net profit / (loss) for the period by the weighted average number of shares issued in the respective financial years (10,400,000 no-par-value bearer shares, as in the previous year).

This figure can in principle be diluted by so-called potential shares (convertible bonds, bonds with warrants, share options). To date, YOUNIQ AG has issued neither options nor conversion rights. With regard to the outstanding purchase options for employees (share option plan), the agreed performance targets had not yet been reached as of the end of the reporting period. The figure is therefore not diluted at present.

The diluted earnings per share are therefore not calculated, as they are the same as basic earnings. However, utilisation of the instruments approved by the Annual General Meeting of YOUNIQ AG (authorised and contingent capital) could lead to dilution of earnings per share in future.

Basic earnings per share amounted to EUR -0.59 for the 2014 financial year and EUR -5.20 for the 2013 financial year.

5.17. CARRYING AMOUNT PER SHARE

The carrying amount per share is calculated by dividing equity before non-controlling interests by the number of shares.

in EUR	2014	2013
Equity attributable to Group shareholders	20,980,928	27,016,007
Number of shares (shares)	10,400,000	10,400,000
Carrying amount per share	**2.02**	**2.60**

6. STATEMENT OF CASH FLOWS

The statement of cash flows shows how the Group's cash and cash equivalents have changed over the course of the financial year as a result of cash inflows and cash outflows. In line with IAS 7, a distinction is made between cash flows from operating activities and from investing and financing activities.

The cash inflows and outflows over the course of the financial year, broken down by activity and separated into discontinued and continuing operations, were as follows:

in kEUR	2014	2013
Net cash inflow/(outflow) from operating activities (discontinued operations)	868	1,157
Net cash inflow/(outflow) from operating activities (continuing operations)	(2,391)	(18,262)
Net cash inflow/(outflow) from operating activities (total)	**(1,523)**	**(17,105)**
Net cash inflow/(outflow) from investing activities (discontinued operations)	2,780	15,390
Net cash inflow/(outflow) from investing activities (continuing operations)	5,481	(15,172)
Net cash inflow/(outflow) from investing activities (total)	**8,261**	**218**
Net cash inflow/(outflow) from financing activities (discontinued operations)	(3,837)	(18,501)
Net cash inflow/(outflow) from financing activities (continuing operations)	(2,835)	29,838
Net cash inflow/(outflow) from financing activities (total)	**(6,672)**	**11,337**
Net change in cash and cash equivalents (discontinued operations)	(189)	(1,954)
Net change in cash and cash equivalents (continuing operations)	256	(3,597)
Net change in cash and cash equivalents (total)	**66**	**(5,551)**
Cash and cash equivalents at the end of the period (discontinued operations)	439	629
Cash and cash equivalents at the end of the period (continuing operations)	2,772	2,517
Cash and cash equivalents at the end of the period (total)	**3,212**	**3,146**

The net cash flow from operating activities (continuing operations) particularly includes cash outflows due to personnel and administrative expenses. In the previous year, there were also high cash outflows from the project development in Frankfurt am Main (Riedberg II).

In discontinued operations, both net cash flow from operating activities and net cash flow from investing activities remain positive due to the ongoing liquidation.

The financial resources included in the statement of cash flows comprise all cash and cash equivalents consisting of cash in hand and bank balances. These also include cash of kEUR 844 (previous year: kEUR 916) that is not readily available. Cash that is not readily available mainly consists of amounts that have an intended purpose based on arrangements in various loan agreements or that are held as collateral.

Cash flows from investing and financing activities are determined in relation to payments. In contrast, net cash flow from operating activities is derived indirectly from consolidated net profit/(loss) for the period. The indirect determination considers changes of statement of financial position items in connection with operating activities that are adjusted for effects from changes in the scope of consolidation. The changes in the statement of financial position items concerned cannot therefore be adjusted to the corresponding values on the basis of the published consolidated statement of financial position.

Significant non-cash transactions relate to deferred taxes, changes in the fair value of investment property, provisions, market value changes and write-downs and reversals of write-downs.

The aggregate cash flows from acquisitions or disposals of subsidiaries are presented separately and classified as investing activities in the statement of cash flows.

Net cash inflow/(outflow) from the acquisition/ sale of subsidiaries (kEUR)	**Purchase prices received/(paid)**	**Cash of the subsidiary received/(sold)**	**Inflows/ (outflows) from the sale/ acquisition of subsidiaries**
Sale of TURBO FRA GmbH	2,315	(64)	2,252
Acquisition of Youniq Lübeck Paul-Ehrlich-Strasse GmbH	(28)	25	(3)
Acquisition of Youniq Verwaltungs GmbH	(28)	25	(3)
Other additional purchase price payments	(20)	-	(20)
Total 2014	**2,240**	**(14)**	**2,227**

The residual receivables from the 2012 sale of the shares in Youniq Karlsruhe GmbH & Co. KG and Youniq München II GmbH & Co. KG (kEUR 131) are not expected to affect cash until after the full processing of the residual defects at the properties in Karlsruhe and Munich and after the handover of the agreed documentation and operating licences in the 2015 financial year.

The payments due to the acquisition of non-controlling interests (repurchase of non-controlling interests) are classified as financing activities in the statement of cash flows. Interest received and paid is also reported in cash flow from financing activities.

Taking the repayment subsidy (kEUR 1,130) into account, liabilities to banks of kEUR 9,037 (previous year: kEUR 23,537) were repaid and loans of kEUR 2,274 (previous year: kEUR 39,688) were raised in the 2014 financial year (net balance: kEUR -5,633, previous year: kEUR 16,151). In addition, Corestate Ben BidCo AG granted YOUNIQ AG a loan of kEUR 750 by way of an agreement dated 18 December 2014.

7. SEGMENT REPORTING

As a publicly traded company according to IFRS 8.2b(i), YOUNIQ AG is obliged to disclose information about segments in its consolidated financial statements. The segment definition and reporting in the YOUNIQ Group corresponds to internal reporting to the chief operating decision-maker and is based on operating business divisions (“management approach”). The central decision-maker is the Management Board of YOUNIQ AG, with the Supervisory Board as the supervisory body with essential rights of approval.

In addition to various profit and loss account items, the segment information also covers performance indicators and selected items from statement of financial position. The segment definition complies with the materiality criteria according to IFRS 8.13.

The primary segments are the business segments described below:

- “YOUNIQ – Student Housing”
- “Services”
- “Renting and Trading Real Estate” (discontinued operation)
- “Project Development” (discontinued operation)

Disclosures on geographical segments (secondary segments) have been omitted because the Group operates exclusively in Germany. Accordingly, all revenue was generated in Germany, with the exception of revenue from property-specific consulting services of kEUR 333.

The sale of the residential property in Iranische Strasse, Berlin, (sale price kEUR 8,600; “YOUNIQ – Student Housing” segment) and the properties of the “Renting and Trading Real Estate” segment in Bielefeld (sale price kEUR 1,510) and in Wurzen (sale price kEUR 1,150) relate to tenants and/or buyers that account for more than 10% of consolidated revenue. In the previous year, this applied to the sale of the student residence (including furniture) in Munich, Berzeliusstraße (sale price kEUR 14,522; “YOUNIQ – Student Housing” segment).

In addition, rental income from general rental agreements with Elfte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG or its property companies of kEUR 3,807 (previous year: kEUR 3,679) was generated in the “YOUNIQ – Student Housing” segment.

“YOUNIQ – STUDENT HOUSING” SEGMENT

With the “YOUNIQ” brand, the YOUNIQ Group has established a comprehensive concept for student housing on the market YOUNIQ properties are concept properties offering their student tenants a diverse range of additional offers in the field of leisure and services in the YOUNIQ world, in addition to high-quality furnished apartments. The YOUNIQ Group has already successfully marketed these concept properties at the locations in Greifswald (two properties), Leipzig, Munich (two properties), Karlsruhe, Potsdam, Mainz, Frankfurt am Main (two properties), Bayreuth and Erlangen. The project in Lübeck is in the planning stage. The YOUNIQ Group holds some of the YOUNIQ properties in its own portfolio; the others have been sold to institutional investors or to capital investors.

“SERVICES” SEGMENT

The “Services” segment currently comprises only YOUNIQ AG and Youniq Service GmbH. While YOUNIQ AG primarily functions as the Group’s holding company, it is also responsible for group financing at the same time. According to the Articles of Association of YOUNIQ AG, its business objective also comprises acquiring, selling and brokering properties as well as brokering financing.

Youniq Service GmbH provides letting and conventional property management services both for the properties that the YOUNIQ Group holds within its own portfolio and for most of the properties and apartments sold to final investors or capital investors. Most of the YOUNIQ Group’s personnel and administrative expenses are incurred in the “Services” segment.

The “Services” segment is controlled according to the same principles as the other business segments.

“RENTING AND TRADING REAL ESTATE”

In the “Renting and Trading Real Estate” segment, the YOUNIQ Group holds a property portfolio for letting and selling purposes. In the 2014 financial year, as in the previous year, no further acquisitions were made in this business segment. The existing portfolio (primarily inventory and portfolio properties) in this segment is being sold off with a view to focussing on the “YOUNIQ – Student Housing” and “Services” segments. As a result of active marketing efforts, numerous property sales agreements were concluded in the financial years 2012 to 2014. The “Renting and Trading Real Estate” segment is allocated to discontinued operations.

“PROJECT DEVELOPMENT” SEGMENT

In the “Project Development” segment, the YOUNIQ Group refurbished high-quality, listed properties. These properties were sold to investors and owner-occupiers via a national distribution network. Because of the Group’s focus on the “YOUNIQ – Student Living” and “Services” segments, projects already initiated in the “Project Development” segment were completed, but no new ones acquired. The “Project Development” segment is allocated to discontinued operations. In the 2014 financial year, the empty companies in this segment were merged with AF Verwaltungs GmbH, a company established specifically for this purpose in the “Renting and Trading Real Estate” segment, as part of the simplification of the Group structure.

Except for expenses and income from profit and loss transfer agreements, the segment information is presented on a non-consolidated basis, i.e. there is no consolidation of debts, expenses or income or elimination of transactions between the different segments. However, the segment information is ascertained on a pre-consolidated basis, i.e. the receivables/liabilities, expenses/income and intragroup transactions between individual Group companies within one segment are consolidated.

In the YOUNIQ Group, sales and transactions between reportable segments are only of minor importance. The few transactions (excluding profit and loss transfer agreements) include:

- Interest-bearing loans of YOUNIQ AG with CAMPUS REAL ESTATE GmbH
- Standard market interest on clearing accounts between all companies (since 1 December 2010)
- Liability remuneration to general partners (kEUR 9; previous year: kEUR 5).
- Services rendered by Youniq Service GmbH to various property-holding group companies in the “YOUNIQ – Student Housing” segment (kEUR 723; previous year: kEUR 464) and the “Project Development” segment (kEUR 0; previous year: kEUR 29).
- In the 2014 financial year, YOUNIQ AG performed an allocation of personnel and administrative expenses of kEUR 319 to the subsidiary Youniq Service GmbH for the first time

The segment assets consist of the real estate assets (regardless of classification according to IFRS), which are shown separately, and the other segment assets. As well has bank balances, the other segment assets chiefly comprise receivables and other assets.

The segment liabilities consist of financial liabilities, internal Group financing and other segment liabilities. The other segment liabilities mainly comprise deferred tax liabilities, trade payables, provisions and tax liabilities.

The segment investments include additions to investment property, property, plant and equipment and intangible assets including goodwill.

Owing to the fact that internal reporting to the chief operating decision-maker is based on all operating segments, without distinguishing between discontinued and continuing operations, the segment disclosures contain the total income and expenses of the Group. As a result, these are reconciled to the values reported in the consolidated statement of comprehensive income for continuing operations in the “Consolidation and rounding” reconciliation column. Accordingly, items relating to earnings in the statement of reconciliation essentially included the corresponding earnings or expenses/income of discontinued operations. These are the figures for the “Project Development” and “Renting and Trading Real Estate” segments. Clearly allocable personnel and administrative expenses (kEUR 1,343; previous year: kEUR 2,070) and income tax (kEUR 1,387; previous year: kEUR 944) from the “Services” segment were also assigned to discontinued operations.

In other segment assets and other segment liabilities, unlike in the consolidated statement of financial position, deferred tax assets and liabilities are reported net by segment. In the reconciliation column, they are then reconciled (kEUR 0; previous year: kEUR 1,487) to the values reported in the consolidated statement of financial position.

Segment reporting is an integral part of the notes to the consolidated financial statements. For clarity, the figures are attached to these notes to the consolidated financial statements as Annex 1.

For further explanations on segment results, refer to the commentary on the Group's net assets, financial position and results of operations in the combined management report (section 2.2 – Business performance).

8. FINANCIAL RISK AND CAPITAL MANAGEMENT

8.1. RISK FACTORS

The Group's business activities expose it to various financial risks: credit risk, liquidity risk and interest rate risk.

There are no market risks connected with financial instruments, as there is no significant amount of financial instruments classified as held for trading and trading financial instruments is not in line with the Group's business activities.

The overarching risk management system, which is designed in line with the size of the Group, is geared towards the unpredictable nature of developments on the financial markets and aims to minimise potential negative effects on the Group's financial position.

The risk management system, which is documented in a risk management handbook, is implemented by the Management Board of YOUNIQ AG in consultation with the segment managers according to standards set by the Supervisory Board.

YOUNIQ AG identifies, measures and hedges financial risks at regular intervals.

The Management Board and Supervisory Board set standards for dealing with interest rate risks and credit risks and using surplus liquidity.

The Supervisory Board is regularly informed about the Group's financial risk factors.

8.2. CURRENCY RISK

To date, the YOUNIQ Group operates exclusively in the eurozone. There are therefore no currency risks.

8.3. CREDIT RISK

There are no major credit risks within the Group. Financial transactions are concluded only with financial institutes with high credit ratings in order to keep counterparty default risk as low as possible.

In operating business, outstanding accounts are monitored both centrally at YOUNIQ AG and locally by the respective property managers (rent receivables). Default risks are accounted for with specific valuation allowances.

The maximum theoretical default risk is given by the carrying amounts of the financial assets recognised in the statement of financial position. Prepayments received, security deposits and rental deposits reduce default risk accordingly.

The default risk in relation to letting is also minimised by the tenant mix and tenant credit ratings (letting only after prior credit check).

Default risks in connection with the settlement of land and apartment sales are minimised by the usual hedging instruments in contract execution. Thereafter, legal ownership is not transferred until the full payment has been received.

8.4. LIQUIDITY RISK

For the implementation of its business concept, the financing of its property portfolio and its growth strategy, the YOUNIQ Group needs extensive funds to systematically continue the planned project developments. In part, the company is obliged to raise the funds in advance, while returns of funds in the form of advance payments by buyers/clients or the final purchase price payments can only be collected successively according to the progress of the projects (or according to the German Real Estate Agent and Commercial Construction Industry Ordinance – MaBV) in accordance with mandatory legal provisions. The company has borrowed funds for the purpose of interim financing, in this case from banks and in one case via a bearer bond.

There is therefore a risk that the procurement or extension of borrowing via banks or institutional investors will in future not be possible in due time or only at unfavourable conditions. There is also a risk that customers will make purchase price payments later than planned. If the corresponding raising of borrowed funds is impossible or possible only at inadequate conditions in future, or if debt financing takes longer than the company planned, this could have negative effects on the Group's earnings and financial position.

Group-wide financial planning instruments allow the future liquidity requirement to be identified at an early stage, based on the operational implementation of the Group strategy. In addition to the current overview of loans connected with a multi-year repayment plan, the Group also operates a liquidity plan on a rolling monthly basis for a planning period of twelve months. The planning systems model the entire scope of consolidations. Prudent liquidity management includes a sufficient reserve of liquid funds.

Portfolio properties are financed with industry-standard real estate loans from well-known banks. The non-current loans are tied to the properties and, if the latter are sold on, are repaid from the sale proceeds. There is a risk of having to take out loans for follow-up financing or on repricing dates at significantly worse conditions. Investment property is largely financed in the long term.

There were no delays or defaults on the repayment of loans and interest. Neither were there any infringements of loan agreements or covenants (i.e. balance sheet ratio provisions in connection with loan agreements under which companies taking out loans are obliged to comply with certain financial ratios).

The maturities of financial liabilities are as follows:

MATURITIES OF FINANCIAL LIABILITIES (AS OF 31 DECEMBER 2014 INCLUDING EXPECTED FUTURE INTEREST)

in kEUR	31.12.2014	Within 1 year	1 to 5 years	> 5 years
Liabilities to banks	54,520	13,892	16,300	24,328
Liabilities to affiliated companies	4,029	399	3,630	-
Trade payables	2,742	2,742	-	-
Prepayments received	255	255	-	-
Other liabilities	9,628	6,317	3,311	-
Financial liabilities, total	**71,173**	**23,604**	**23,241**	**24,328**

MATURITIES OF FINANCIAL LIABILITIES (AS OF 31 DECEMBER 2013 INCLUDING EXPECTED FUTURE INTEREST)

in kEUR	31.12.2013	Within 1 year	1 to 5 years	> 5 years
Liabilities to banks	81,048	35,266	20,807	24,975
Trade payables	6,097	6,097	-	-
Prepayments received	255	255	-	-
Other liabilities	11,015	7,714	3,300	-
Financial liabilities, total	**98,415**	**49,333**	**24,107**	**24,975**

All current liabilities are expected to be settled within twelve months of the end of the reporting period. As well as repayments, interest incurred in the future usually also results in an outflow of liquidity.

As at 31 December 2014, the YOUNIQ Group had no committed, unutilised credit lines to be used to finance student accommodation (previous year: kEUR 3,365).

8.5. INTEREST RATE RISK

Interest rate risks arise due to fluctuations of interest rates caused by the market. Firstly, they affect the level of future interest expenses in the YOUNIQ Group. Secondly, they can influence the market value of financial instruments.

The aim is to minimise the risk of fluctuating future interest expenses. Some bank liabilities are agreed at fixed interest rates in the YOUNIQ Group to allow the effects of interest rate fluctuations to be estimated in the medium term. Nevertheless, there is a risk of disadvantageous adjustments to conditions at the end of the fixed-interest period. In the case of variable-rate (loan) liabilities, there is an interest rate risk insofar as the interest rate for the loans raised is usually linked to the EURIBOR reference rate (European Interbank Offered Rate).

In addition, there is a risk with regard to properties that are partially financed in the long term that sales could result in early loan redemption with high prepayment penalties.

In order to manage the interest rate risk due to the variable interest on debt, the company's management will in some cases make targeted use of swaps (payer swaps) or similar instruments (swaptions and caps). In addition, the relevant interest markets are analysed and monitored on a regular basis.

In the event of a change in the interest rate by 100 basis points ("bps"), the annual interest expense from the variable-rate loans would increase or decrease by approximately kEUR 211 (previous year: kEUR 353) – based on the value of the loans as of the end of the reporting period.

Speculation risks are prevented by using derivative financial instruments only to hedge primary hedged items. The derivative financial instruments may not exceed the amounts and terms of the primary hedged items.

Contracts concerning derivative financial instruments and financial transactions are concluded only with financial institutes with high credit ratings (usually with lending banks) in order to keep counterparty default risk as low as possible.

8.6. ADDITIONAL DISCLOSURES ABOUT FINANCIAL INSTRUMENTS

With the exception of interest rate swaps and interest rate caps, only primary financial instruments are used in the YOUNIQ Group. The financial assets and liabilities can be divided into measurement categories with the following carrying amounts and fair values:

in kEUR	IAS 39 category	Carrying amount 31 Dec. 2014	Cost	Amortised cost	Fair value (through profit or loss)	Fair value (outside profit or loss)	Not applicable	Fair value 31 Dec. 2014
Equity instruments	AfS	2,712	-	-	-	2,712	-	2,712
Trade receivables	LaR	846	-	846	-	-	-	846
Other receivables and assets	LaR	848	848	-	-	-	-	848
Cash and cash equivalents	n/a	3,212	-	-	-	-	3,212	3,212
Financial assets, total		**7,618**	**848**	**846**	**-**	**2,712**	**3,212**	**7,618**
Liabilities to banks (non-current)	FLAC	38,103	-	38,103	-	-	-	38,103
Liabilities to banks (current)	FLAC	13,453	-	13,453	-	-	-	13,453
Liabilities to affiliated companies	FLAC	3,359	-	3,359	-	-	-	3,359
Trade payables	FLAC	2,742	-	2,742	-	-	-	2,742
Prepayments received	FLAC	255	-	255	-	-	-	255
Other liabilities	FLAC	8,848	-	8,848	-	-	-	8,848
Financial liabilities, total		**66,761**	**-**	**66,761**	**-**	**-**	**-**	**66,761**

in kEUR	IAS 39 category	Carrying amount 31 Dec. 2013	Cost	Amortised cost	Fair value (through profit or loss)	Fair value (outside profit or loss)	Not applicable	Fair value 31 Dec. 2013
Equity instruments	AfS	2,572	-	-	-	2,572	-	2,572
Derivative financial instruments	FAHfT	288	-	-	288	-	-	288
Trade receivables	LaR	1,219	-	1,219	-	-	-	1,219
Other short-term receivables and assets	LaR	3,597	3,020	577	-	-	-	3,597
Cash and cash equivalents	n/a	3,146	-	-	-	-	3,146	3,146
Financial assets, total		**10,823**	**3,020**	**1,797**	**288**	**2,572**	**3,146**	**10,823**
Liabilities to banks (non-current)	FLAC	40,657	-	40,657	-	-	-	40,657
Liabilities to banks (current)	FLAC	33,989	-	33,989	-	-	-	33,989
Trade payables	FLAC	6,097	-	6,097	-	-	-	6,097
Prepayments received	FLAC	255	-	255	-	-	-	255
Other liabilities	FLAC	7,079	-	7,079	-	-	-	7,079
Financial liabilities, total		**88,078**	**-**	**88,078**	**-**	**-**	**-**	**88,078**

The fair values of “cash and cash equivalents”, “trade receivables” and “other current receivables and assets” roughly correspond to the carrying amounts. The main reason for this is the short term of such instruments.

The liabilities include the primary financial instruments measured at amortised cost. In the case of current liabilities, it is assumed that the carrying amount roughly corresponds to the fair value. The fair values of fixed-interest, non-current loans, which were largely granted on a property-specific basis, cannot be determined reliably, as there is no active market and the current discounting interest rates cannot be determined objectively (e.g. because of the credit rating of the company, fluctuations in fair values of property serving as collateral). Moreover, the YOUNIQ Group can repay the majority of the fixed-interest, non-current loan liabilities early without prepayment penalties, meaning that the carrying amount here also roughly corresponds to the fair value.

The effective interest rate for financial liabilities averaged approximately 3.30 % (previous year: 5.95 %) p.a. The decline compared to the previous year, despite the high-interest bearer bond, is mainly attributable to the lower bank interest rates and especially the much lower financing fees and prepayment penalties.

Net gains/losses from “trade receivables” and “other current receivables and assets” include changes in write-downs, gains or losses from derecognition and cash collections and reversals of write-downs on loans and receivables. The resulting net loss amounted to kEUR 214 in the 2014 financial year (previous year: kEUR 765). “Trade receivables” and “other current receivables and assets” due for more than twelve months are written down by between 75 % and 100 % where the YOUNIQ Group does not have sufficient collateral.

Net gains/losses from financial liabilities at amortised cost comprise gains or losses from the measurement effect on interest rate derivatives (expense kEUR 145; previous year: income kEUR 351) and the repayment amounts (kEUR 300; previous year: TEUR 576).

All liabilities to banks are secured by land charges or mortgages on all investment property (excluding the Lübeck property) and the inventory property in Brandenburg (carrying amount totals kEUR 83,310). The utilisation of this collateral is governed by the provisions of the German Civil Code (BGB) and the arrangements in the underlying loan agreements. The liabilities from the "MPC deal" and the bearer bond are subordinated and secured by pledging shares in the companies concerned. All other liabilities are usually unsecured.

8.7. CAPITAL MANAGEMENT

The primary goal of capital management in the YOUNIQ Group is to preserve the ability to repay debts and the financial substance of the company into the future. In terms of returns, the aim of capital management is also to create an optimum mix of equity and debt. This ensures that all Group companies can operate on a going-concern basis.

As of the end of the reporting period, total capital (equity and financial liabilities, not including derivative financial instruments) broke down as follows:

CAPITAL MANAGEMENT

in kEUR	31.12.2014	31.12.2013
Consolidated equity	**21,127**	**27,198**
As share of total capital	25.2 %	24.8 %
Current financial liabilities	18,603	38,988
Non-current financial liabilities	44,159	43,610
Financial liabilities, total	**62,763**	**82,599**
As share of total capital	74.8 %	75.2 %
Total capital (equity plus financial liabilities)	**83,890**	**109,797**

Financial security is essentially measured using the equity ratio. This parameter comprises the Group's total assets and the equity reported in the consolidated statement of financial position. The equity ratio is used as an important parameter for the majority shareholder, investors, analysts, banks and rating agencies.

EQUITY RATIO

in kEUR	31.12.2014	31.12.2013
Consolidated equity, total	21,127	27,198
Group's total assets	93,694	125,453
Equity ratio	**22.55 %**	**21.68 %**

YOUNIQ AG can manage the capital structure by adjusting dividends, performing capital reductions, issuing new shares and issuing financial instruments that qualify as equity according to IFRS. For more information, see the information on authorised and contingent capital in sections 4.12.2 and 4.12.3.

YOUNIQ AG is subject to the minimum capital requirements for stock corporations. Compliance with these requirements is monitored continuously. The requirements were met in the 2014 financial year.

The Group's overall strategy with regard to capital management is unchanged compared to the 2013 financial yea.

9. OTHER DISCLOSURES

9.1. DISCLOSURES ON CONTINGENT LIABILITIES AND CONTINGENT ASSETS

YOUNIQ AG has established only joint liability in rem and under the Law of Obligations for liabilities of subsidiaries included in the scope of consolidation. No such obligations have been established to third parties.

An appropriate accounting provision has been made for risks from legal disputes where the outflow of resources is expected. The Management Board estimates that there are no other notable unresolved legal disputes.

As of the end of the reporting period, there were various contingent assets from active legal proceedings regarding claims for damages and recourse claims that cannot currently by quantified. The value in dispute totals several hundred thousand euros.

9.2. OTHER FINANCIAL OBLIGATIONS

As of the end of the reporting period, other financial obligations amounted to EUR 0.2 million (previous year: EUR 1.4 million) (purchase obligations for subcontractor services) and EUR 0.1 million (previous year: EUR 0 million) (building subsidies) from orders already granted for investment projects begun or in planning and on the basis of contractual agreements with tenants and other contract partners.

For information on other financial obligations from rental agreements, refer to section 9.3 "Leases".

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9.3. LEASES

Lease description	Lessee	Lessor
Lease for business premises, Frankfurt am Main	YOUNIQ AG	CORESTATE Capital Advisors GmbH
Lease for business premises, Leipzig office	YOUNIQ AG	MIArg Real Estate 2 properties SarL
General rental agreement, property in Karlsruhe	Youniq Service GmbH	Youniq Karlsruhe GmbH & Co. KG
General rental agreement, properties in Greifswald	Youniq Service GmbH	Youniq Greifswald GmbH & Co. KG
General rental agreement, property in Munich	Youniq Service GmbH	Youniq München II GmbH & Co. KG
Parking spaces	YOUNIQ AG	Q-Park
Vehicle leases	Youniq Service GmbH	Various
Office equipment lease (office furniture, IT)	YOUNIQ AG / Youniq Service GmbH	Various
Office furniture and IT lease (sublease)	CORESTATE Capital Advisors GmbH	YOUNIQ AG
Cashcard payment system with equipment	Youniq Service GmbH	VR IT-LEASING GmbH

Contract start	Contract end	Lease instal-ment (month) (incl. VAT) kEUR	Minimum lease pay-ments in 2015 (incl. VAT) kEUR	Minimum lease payments 2016 to 2020 (incl. VAT) kEUR	Minimum lease pay-ments from 2021 (incl. VAT) kEUR	Classification
01.07.2014	Indefinite	5	57	286	-	operating lease
01.09.2009	31.08.2015	12	96	-	-	operating lease
01.03.2012	31.08.2026	139	1,691	8,921	11,123	operating lease
01.03.2012	31.08.2026	50	606	3,200	3,990	operating lease
01.12.2012	31.05.2027	40	483	2,550	3,625	operating lease
01.09.2013	Indefinite	1	7	35	-	operating lease
2013	2016	1	14	9	-	operating lease
2009 to 2013	2015 to 2018	7	68	90	-	operating lease
01.07.2014	2015 to 2018	(2)	(23)	-	-	operating lease
01.10.2011	30.09.2016	2	21	16	-	finance lease
	Total:	**254**	**3,021**	**15,106**		
	Previous year:	299	3,419	15,034		

There are other financial obligations from the leasing of business premises at Eschersheimer Landstrasse 6, 60322 Frankfurt am Main (flat-rate monthly rent kEUR 5 including value-added tax; indefinite term) and in “City Hochhaus”, Augustusplatz 9, 04109 Leipzig (monthly rent and incidental costs totalling kEUR 12; rental agreement has a term until 31 August 2015 with a renewal option). Monthly rent of kEUR 1 (gross) is incurred for the lease of parking spaces in Leipzig.

In connection with the sale of the majority interest in Youniq Karlsruhe GmbH & Co. KG, Youniq Greifswald GmbH & Co. KG and Youniq München II GmbH & Co. KG in 2012, these companies concluded long-term property leases (14.5 year term plus two five-year renewal options) with Youniq Service GmbH in order to continue ensuring property management for the YOUNIQ Group. Together, the sale of the shares and the leases constitute sale-and-lease-back transactions, which are classified as operating leases according to the criteria of IAS 17. From a civil law and commercial perspective, ownership of these properties no longer rests with the YOUNIQ Group; the sale was made at standard market conditions.

There are other financial obligations from vehicle leases for the years 2015 to 2016 totalling kEUR 24 and for office equipment for the years 2015 to 2018 totalling kEUR 158. The above-mentioned leases are likewise classified as operating leases in accordance with IAS 17.

The YOUNIQ Group (lessor) has concluded agreements to let its investment property and inventory property (operating leases). For residential properties, rental agreements are usually indefinite but can be terminated in accordance with statutory notice periods. Long-term leases relate to commercial properties and generally have remaining rental terms of between 1 and 5 years.

Various leases contain a clause stipulating that the rent can be increased annually on the basis of market conditions. A few contracts with fixed terms provide renewal options for tenants. The tenants have no purchase options.

In the 2015 financial year, the Group is expected to receive minimum lease payments (not including advance operating cost payments) of kEUR 10,564 (based on the leases as of 31 December 2014) from the non-cancellable contracts in place as of the end of the reporting period. As of the the end of the reporting period, EUR 3,980 of this is attributable to subleases. Besides the planned sales of properties in discontinued operations, an estimate of future minimum lease payments for subsequent financial years would not be meaningful on account of the possibility of termination at relatively short notice for some residential properties and because of rent indexation.

9.4. MEMBERS OF THE MANAGEMENT BOARD AND THEIR REMUNERATION

- Alexander Kersting (since 17 December 2014)
- Marcus Schmitz (from 1 January 2012 to 31 December 2014)
- Rainer Nonnengässer (CEO, Chairman of the Management Board) (until 15 April 2013)

Mr Rainer Nonnengässer was released from his Management Board duties with effect from the end of 15 April 2013 in accordance with the termination agreement of 22 March 2013. In accordance with the Articles of Association, Mr Marcus Schmitz managed the business activities of YOUNIQ AG until 17 December 2014. On 17 December 2014, Mr Alexander Kersting was appointed as an additional member of the Management Board with immediate effect. He has managed YOUNIQ AG as the sole Management Board member since 1 January 2015. Mr Marcus Schmitz and YOUNIQ AG agreed not to extend the Management Board employment agreement expiring as of 31 December 2014.

As of 31 December 2014, as in the previous year, there were no advances or loans to Management Board members.

The total Management Board compensation including components with a long-term incentive effect and the compensation for non-competition specified below amounted to EUR 300,774 in the 2014 financial year (previous year: EUR 501,096). In detail, Management Board remuneration was as follows:

Management Board member	Fixed remuneration	Variable remuneration	Total remuneration	Components with a long-term incentive effect
Marcus Schmitz since 1 January 2012	EUR 275,000 (PY EUR 275,000)	EUR 0 (PY EUR 100,000)	EUR 275,000 (PY EUR 375,000)	EUR 25,774 (PY EUR 25,775)
Alexander Kersting (since 17 December 2014)	EUR 0 (PY n.a.)	EUR 0 (PY n.a.)	EUR 0 (PY n.a.)	EUR 0 (PY n.a.)
Rainer Nonnengässer until 15 April 2013	EUR 0 (PY EUR 80,321)	EUR 0 (PY EUR 0)	EUR 0 (PY EUR 80,321)	EUR 0 (PY EUR 0)

A maximum amount of kEUR 100 (compensation for non-competition) has been set aside by way of precaution for the duration of the post-contractual non-competition agreement (one year). In addition, Mr Marcus Schmitz was reimbursed EUR 698 for additional subsistence expenses in the 2014 financial year. In the previous year, Mr Nonnengässer received a compensation amounting to TEUR 20.

The Management Board member Mr Alexander Kersting does not receive any remuneration in connection with the performance of his official duties. His work for the company is compensated under an assignment agreement between TAURIS Capital AG, Frankfurt am Main, and YOUNIQ AG. In accordance with this assignment agreement, TAURIS Capital AG receives a fixed flat monthly fee of kEUR 17 (net).

There is also directors & officers liability insurance and, on top of the basic cover, directors & officers excess insurance up to the agreed insured sum of EUR 20 million for each insured event and in total for each insurance period and an additional EUR 10 million for each insured event and in total for each insurance period. Insured parties include all present, former and future supervisory bodies, Management Board members and senior personnel at YOUNIQ AG and its subsidiaries. In the 2014 financial year, the premium for this totalled kEUR 39 (previous year: kEUR 39) (gross).

For further information on Management Board remuneration, please refer to the remuneration report in the combined management report (section 7.1 – Management Board remuneration).

9.5. MEMBERS OF THE SUPERVISORY BOARD AND THEIR REMUNERATION

- Daniel Schoch, CFO of CORESTATE Capital AG (Chairman of the Supervisory Board since 28 August 2013). Mr Schoch is also a member of the Supervisory Board of Corestate Ben BidCo AG and a member of the Administrative Board of CORESTATE IREI Holding S.A.
- Dr Klaus Boemer, Managing Director of ADITIO Financial Management Service GmbH (since 26 August 2013)
- Jorgen Verink, independent management consultant (since 29 January 2015 by order of the Frankfurt am Main District Court on the same date)
- Dr Carsten Strohdeicher, Managing Director of Arcadius Advisors GmbH (until 31 December 2014)
- Dr Manfred Püschel, independent management consultant (Chairman of the Supervisory Board) (until 31 July 2013)
- Martin Hitzer, lawyer at Sozietät Gleiss Lutz (until 17 July 2013)
- Ralph Winter, Managing Director of CORESTATE German Residential Limited (until 22 August 2013)
- Barbara Busch, lawyer and tax consultant at BÖGNER HENSEL & PARTNER Rechtsanwälte Notare Steuerberater (until 31 July 2013)

In a letter dated 26 November 2014, Dr Carsten Strohdeicher resigned from the Supervisory Board effective 31 December 2014. Mr Jorgen Verink, Friedberg, was appointed as a new Supervisory Board member by a ruling of the Frankfurt am Main District Court on 29 January 2015. Mr Verink's appointment will end following the next Annual General Meeting of YOUNIQ AG at the latest.

The Supervisory Board's compensation for 2014 is as follows:

Supervisory Board member	**Expenses and VAT**	**Fixed remuneration p.a. including attendance fees p.a.**
Daniel Schoch	EUR 5,130 (PY EUR 3,373)	EUR 27,000 (PY EUR 17,750)
Dr Klaus Boemer (since 26 August 2013)	EUR 3,101 (PY EUR 2,190)	EUR 12,000 (PY EUR 5,667)
Jorgen Verink (since 29 January 2015)	n.a.	n.a.
Dr Carsten Strohdeicher (until 31 December 2014)	EUR 3,514 (PY EUR 4,903)	EUR 12,000 (PY EUR 13,000)
Dr Manfred Püschel (until 31 July 2013)	EUR 0 (PY EUR 12,478)	EUR 0 (PY EUR 16,333)
Martin Hitzer (until 17 July 2013)	EUR 0 (PY EUR 1,173)	EUR 0 (PY EUR 6,175)
Ralph Winter (until 22 August 2013)	EUR 0 (PY EUR 0)	EUR 0 (PY EUR 19,500)
Barbara Busch (until 31 July 2013)	EUR 0 (PY EUR 1,203)	EUR 0 (PY EUR 6,333)

In the previous year, there was a non-interest-bearing receivable from Ms Busch of kEUR 5. As of 31 December 2014 (as in the previous year), there were no advances or loans to Supervisory Board members.

For further information on Supervisory Board remuneration, please refer to the remuneration report in the combined management report (section 7.2 – Supervisory Board remuneration).

9.6. RELATED PARTY DISCLOSURES

The Group's related parties include YOUNIQ AG and its subsidiaries as well as the ultimate parent company CORESTATE IREI Holding S.A., Luxembourg, which gained control over YOUNIQ AG on 20 October 2014. All companies affiliated with CORESTATE IREI Holding S.A. are also affiliated companies of YOUNIQ AG and related parties at the same time.

Until 20 October 2014, CORESTATE German Residential Limited, St Peter Port / Guernsey, was the ultimate parent company of YOUNIQ AG. Therefore, all companies affiliated with CORESTATE German Residential Limited were affiliated companies of YOUNIQ AG and related parties at the same time.

The asset manager and initiator of the closed-end real estate fund CORESTATE German Residential Limited, CORESTATE CAPITAL AG and its affiliated companies are also related parties.

The related parties also include the members of the Management Board and the Supervisory Board, all senior employees in key positions (where such exist) and the board members of subsidiaries, in each case including their close family members, as well as the companies over which members of the Management Board or Supervisory Board of the company or their close family members can exert a significant influence or in which they hold a significant share in the voting rights.

In addition, related parties include the companies with which YOUNIQ AG forms a group or in which it holds an investment that allows it to exert significant influence over the business policies of the investee, and the major shareholders of YOUNIQ AG including its affiliated group companies.

In the 2014 and 2013 financial years, the following transactions took place between affiliated companies and / or related parties:

a. Affiliated company transactions

By way of the loan agreement dated 10 June 2011, Liechtensteinische Landesbank AG, Vaduz (Liechtenstein) had granted YOUNIQ AG a loan of kEUR 5,000 to be used to repay the credit facility still open provided by GOETHE INVESTMENTS S.à r.l. The loan was to be repaid annually in the amount of kEUR 1,250 on 30 June from 2012 onwards. It bore interest at a floating rate (three-month EURIBOR plus premium). The loan was secured by a guarantee from GOETHE. This resulted in interest expenses of kEUR 36 (previous year: kEUR 127).

By way of agreement dated 29 April 2014, Liechtensteinische Landesbank AG sold the loan, which had been extended in the amount of kEUR 2,500 at that time, to CORESTATE IREI Holding S.A., Luxembourg (change of creditor) effective 20 May 2014. YOUNIQ AG and CORESTATE IREI Holding S.A. then concluded a new loan agreement dated 2 June 2014. The new, unsecured loan has been extended in the amount of kEUR 2,500 plus interest accrued and bears interest at 7.0 % p.a. The loan is repayable on 30 December 2016. Interest of kEUR 107 was incurred for the period from 21 May to 31 December 2014.

Corestate Ben BidCo AG granted YOUNIQ AG a loan of kEUR 750 by way of an agreement dated 18 December 2014. The unsecured loan bears interest at a rate of 7.0 % p.a. The loan, including accrued interest, is repayable on 18 December 2019. Interest of kEUR 2 was incurred for the period from 18 December to 31 December 2014.

YOUNIQ AG passed on the costs it had incurred in the amount of kEUR 33 (previous year: kEUR 22) at the behest of its majority shareholder to SECHEP Investments Holding II S.á r.l, an affiliated company of CORESTATE German Residential Limited.

b. Remuneration paid to and other financial transactions with related companies

In the 2014 financial year, as in the previous year, no remuneration was paid to related companies and there were no other financial transactions with related companies, with the following exception.

There is a rental agreement with CORESTATE Capital Advisors GmbH, Frankfurt am Main, for the letting of business premises at Eschersheimer Landstrasse 6, 60322 Frankfurt am Main. In the 2014 financial year, this resulted in rental expenses (including incidental costs and services) of kEUR 53 (previous year: kEUR 139). The lease was revoked by way of agreement dated 30 June 2014 and, effective 1 July 2014, replaced by a new lease for a reduced office area. In this context, YOUNIQ AG must pay compensation totalling kEUR 188, of which kEUR 33 was paid in the 2014 financial year. A provision of kEUR 200 was already recognised as of 31 December 2013 for the costs expected from the early termination of this rental agreement.

By way of an agreement dated 10 December 2014, YOUNIQ AG subleased parts of its leased office equipment (office furniture, IT) to CORESTATE Capital Advisors GmbH at a price of kEUR 2 a month plus statutory VAT. The rental agreement began retrospectively as of 1 July 2014 and ends with the term of the underlying leases. For the period from 1 July to 31 December 2014, YOUNIQ AG charged net rent of kEUR 11, which was paid in January 2015.

YOUNIQ AG and its subsidiaries provided planning services for the Messecarree Nord-Bauplatz B project in Vienna. The service recipient was Turbo Ö2 Liegenschaftsbesitzverwaltungs GmbH, Vienna, which is a related party of YOUNIQ AG through CORESTATE Capital AG, Zug, Switzerland. The remuneration agreed for these services amounts to kEUR 300 in total and is payable in three instalments in line with progress in the project and sales. After the condition precedent was met in March 2014 (ensuring realisation of the project), YOUNIQ AG invoiced the services accordingly. Taking into account the payment of the first instalments (kEUR 100), the outstanding receivable as of 31 December 2014 was kEUR 200.

By way of a loan agreement dated 1 October 2013, CORESTATE Capital AG, Zug, Switzerland, granted subsidiaries of YOUNIQ AG two mezzanine loans totalling kEUR 5,000 for the purpose of interim financing of ongoing project developments. In this context, YOUNIQ AG acted as guarantor. The term of the loans was a maximum of twelve months; the mezzanine loans were repaid on 21 November 2013 from the advance payment from the sale of the student residence in Berzeliusstrasse, Munich. The loans were subject to interest rates of 11.0 % p.a. (October 2013) and 12.5 % p.a. (November 2013). In the 2013 financial year, this resulted in interest expenses of kEUR 82 and prepayment penalties of kEUR 138, which were accounted for in the financial statements of the subsidiaries.

YOUNIQ AG sold 94.9 % of the shares in AF ATHENA GmbH to Corestate Ben HoldCo GmbH & Co. KG, Frankfurt am Main, by way of a share transfer agreement dated 7 November 2014 with simultaneous granting of an irrevocable repurchase option. CORESTATE Capital AG is invested in Corestate Ben HoldCo GmbH & Co. KG as a limited partner. The purchase price for the shares amounted to kEUR 1,200 and was paid in March 2015. Before the sale, the Management Board of YOUNIQ AG obtained a fairness opinion in accordance with IDW S 8.

c. Real estate transactions with related parties

No real estate transactions were conducted with related parties in the 2014 or 2013 financial years – with the following exception.

On 22 November 2013, CAMPUS REAL ESTATE GmbH and Youniq Service GmbH offered an irrevocable call option for their shares in TURBO FRA GmbH (formerly Youniq Frankfurt Riedberg II GmbH) to Corestate Turbo FRA HoldCo S.á r.l, Luxembourg, and TURBO FRA AcquiCo II GmbH & Co. KG, Frankfurt am Main (together the “interested parties”). YOUNIQ AG entered the agreement as guarantor. TURBO FRA GmbH owns a student residence in Frankfurt am Main. The exercise period for the call option was subject to the fulfilment of various arrangements (suspensive condition) and remained in force until no later than 31 July 2014. In the second quarter of the 2014 financial year, the property company TURBO FRA GmbH was deconsolidated from the YOUNIQ Group after Corestate Turbo FRA HoldCo S.á r.l and TURBO FRA AcquiCo II GmbH & Co. KG had accepted the irrevocable call option of CAMPUS REAL ESTATE GmbH and Youniq Service GmbH for the sale of their shares in TURBO FRA GmbH on 16 April 2014. The sale price for the shares was kEUR 200 in total as TURBO FRA GmbH’s interim financing of the property was also assumed. In this context, CAMPUS REAL ESTATE GmbH also sold its receivable from TURBO FRA GmbH to Corestate Turbo FRA HoldCo S.á r.l and TURBO FRA AcquiCo II GmbH & Co. KG at a total price of kEUR 3,100 by way of identical agreements.

In this context, the interest rate cap at Landesbank Berlin AG was sold in the amount of the original acquisition costs (up-front fee of kEUR 300) to Corestate Turbo FRA HoldCo S.á r.l.

Refer to section 2.8 for more details on the possible transaction.

d. Remuneration paid to and other financial transactions with related parties

There was no remuneration paid to or other financial transactions with related parties in the 2014 and 2013 financial years, with the following exceptions.

For information on the remuneration of members of the Management Board and Supervisory Board, refer to sections 9.4 and 9.5.

Remuneration totalling kEUR 69 (previous year: kEUR 0) was paid to TAURIS Capital AG, Frankfurt am Main, for consulting services. Alexander Kersting is a member of the Management Board of TAURIS Capital AG. The services mainly related to periods before Mr Kersting’s appointment to the YOUNIQ AG Management Board.

In the previous year, remuneration of kEUR 44 was paid to the law firms Bögner Hensel & Partner, Frankfurt am Main, and MARCCUS Rechtsanwaltsgesellschaft mbH, Frankfurt am Main, for consulting services. The former Supervisory Board member Ms Barbara Busch is currently a lawyer at Schalast & Partner Rechtsanwälte mbH (previously a partner at the law firm Bögner Hensel & Partner and a lawyer at MARCCUS Rechtsanwaltsgesellschaft mbH).

In the 2013 financial year, remuneration of kEUR 1 was paid to ADITIO Financial Management Service GmbH, Berlin, for consulting services. The Supervisory Board member Dr Klaus Boemer is the Managing Director at ADITIO Financial Management Service GmbH.

In the year under review and in the previous year, the other members of the Supervisory Board did not receive any other remuneration or benefits for services provided by them, in particular advisory and mediation services. The members of the Supervisory Board of YOUNIQ AG were not paid remuneration for any Supervisory Board mandates at Group companies in the 2014 and 2013 financial years.

9.7. AUDITOR'S FEE IN ACCORDANCE WITH ART. 314 PARAGRAPH 1 NUMBER 9 HGB

The Group-wide expenses for the audits of the financial statements by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, were as follows in 2014:

in kEUR	2014	2013
Auditing services (art. 314 paragraph 1 number 9a HGB)	129	185
Other attestation services (art. 314 paragraph 1 number 9b HGB)	43	10
Tax consulting services (art. 314 paragraph 1 number 9c HGB)	105	219
Other services (art. 314 paragraph 1 number 9d HGB)	12	73
Total	**289**	**487**

These figures do not include statutory VAT.

9.8. SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no significant events by the time of the preparation of the consolidated financial statements as of 31 December 2014 – with the exception of those presented in the combined management report (section 3 - Supplementary report) – with a material impact on the net assets, financial position and results of operations of the YOUNIQ Group.

9.9. CONSOLIDATED FINANCIAL STATEMENTS

The YOUNIQ Group is included in the consolidated financial statements as of 31 December 2014 to be prepared by the ultimate parent company CORESTATE IREI Holding S.A., Luxembourg, according to statutory requirements in Luxembourg. These are prepared in accordance with International Financial Reporting Standards as applicable in the EU and published in Luxembourg.

9.10. PUBLICATION

The annual financial statements of YOUNIQ AG as of 31 December 2014, audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, and the consolidated financial statements of YOUNIQ AG as of 31 December 2014 are published in the electronic Federal Gazette.

9.11. DECLARATION ACCORDING TO ART. 161 AKTG

YOUNIQ AG is the only German listed company included in the consolidated financial statements. YOUNIQ AG has made the declarations stipulated by section 161 of the German Stock Corporation Act and made them available to its shareholders.

In March 2014, the Management Board and Supervisory Board of YOUNIQ AG jointly issued the declaration of compliance according to section 161 AktG with the recommendations of the German Corporate Governance Code in the respectively applicable versions dated 24 June 2014, 13 May 2013, 15 May 2012, 26 May 2010, 18 June 2009 and 6 June 2008 . The declaration of compliance was updated in December 2014; this update was issued in March 2015. The form and content of the declarations of compliance are permanently available to shareholders on the company's website (www.youniq-group.de).

Frankfurt / Main, 18 March 2015

Alexander Kersting
(Member of the Management Board)

YOUNIQ AKTIENGESELLSCHAFT

SEGMENT INFORMATION
FOR THE 2014 FINANCIAL YEAR „ANNEX 1 TO THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT“

in kEUR	Year	Renting and Trading Real Estate (discontinued operation)	Project Development (discontinued operation)
Net operating income (NOI)	2014	(443)	(39)
Of which rental income	*2014*	*555*	*-*
	2013	(29)	(397)
	2013	*1,618*	*1*
Profit/(loss) from the sale of real estate assets	2014	(9)	674
Of which revenue from the sale of real estate assets	*2014*	*4,828*	*20*
	2013	(2,617)	(1,072)
	2013	*18,991*	*240*
Profit/(loss) from construction contracts	2014	-	-
Of which revenues from construction contracts	*2014*	*-*	*-*
	2013	-	(370)
	2013	*-*	*-*
Profit/(loss) from changes in valuation of investment property	2014	64	-
	2013	(2,963)	(0)
Personnel and administrative expenses	2014	(191)	55
	2013	(6)	(55)
General selling and marketing expenses	2014	-	-
	2013	(87)	(15)
Depreciation, amortisation and write-downs	2014	310	-
	2013	(2,041)	(1,124)
EBIT	2014	(269)	690
	2013	(7,742)	(3,034)
Financial result	2014	(180)	46
Of which interest income	*2014*	*13*	*69*
Of which interest expenses	*2014*	*(112)*	*(24)*
	2013	(1,966)	(76)
	2013	*4*	*1*
	2013	*(721)*	*(0)*

YOUNIQ – Student Housing	Services	Reconciliation and rounding	Total
3,526	522	480	4,047
4,818	*3,907*	*(555)*	*8,725*
1,284	(1,552)	452	(242)
4,371	*3,839*	*(1,619)*	*8,210*
(641)	(309)	55	(230)
8,690	*253*	*(4,848)*	*8,943*
(5,849)	(105)	3,742	(5,900)
17,525	*814*	*(19,231)*	*18,340*
-	-	-	-
-	-	-	-
-	-	370	-
-	-	-	-
(1,230)	3	(64)	(1,228)
(16,794)	(343)	2,963	(17,136)
(1,680)	(3,125)	1,482	(3,459)
(1,078)	(5,333)	2,077	(4,394)
(105)	(149)	-	(254)
(100)	(181)	102	(281)
-	(172)	(310)	(172)
(1,471)	(167)	3,165	(1,638)
(130)	(3,230)	1,643	(1,295)
(24,008)	(7,679)	12,871	(29,592)
(2,867)	811	137	(2,054)
3	*101*	*(82)*	*104*
(1,925)	*(124)*	*136*	*(2,049)*
(4,222)	2,308	1,404	(2,552)
2	*21*	*(4)*	*23*
(1,452)	*(152)*	*721*	*(1,604)*

Continued on next page

in kEUR	Year	**Renting and Trading Real Estate** (discontinued operation)	**Project Development** (discontinued operation)
EBT	2014	(448)	736
	2013	(9,708)	(3,110)
Income tax	2014	(974)	(259)
	2013	610	216
Consolidated net profit / (loss) for the period (total)	2014	(1,422)	476
Of which continuing operations	*2014*	-	-
Of which discontinued operations	*2014*	*(1,422)*	*476*
	2013	(9,098)	(2,894)
	2013	-	-
	2013	*(9,098)*	*(2,894)*
Real estate assets (IAS 40/IFRS 5, IAS 2, IAS 11)	31.12.2014	3,596	-
	31.12.2013	6,935	506
Other segment assets	31.12.2014	1,078	-
	31.12.2013	2,581	710
Financial liabilities	31.12.2014	2,912	-
	31.12.2013	5,104	-
Group financing	31.12.2014	(2,156)	-
	31.12.2013	192	(876)
Other segment liabilities	31.12.2014	2,793	(0)
	31.12.2013	1,580	2,006
Segment investments	2014	-	-
	2013	-	-

YOUNIQ – Student Housing	Services	Reconciliation and rounding	Total
(2,997)	(2,419)	1,780	(3,349)
(28,230)	(5,371)	14,275	(32,143)
58	107	1,234	164
(592)	(7,897)	(949)	(8,612)
(2,940)	(2,313)	-	(6,198)
(2,940)	*(2,313)*	*2,067*	*(3,185)*
-	-	*(2,067)*	*(3,013)*
(28,821)	(13,268)	-	(54,082)
(28,821)	*(13,268)*	*1,334*	*(40,755)*
-	-	*(1,334)*	*(13,326)*
81,656	2	-	85,254
106,498	137	-	114,076
4,470	2,892	-	8,440
7,481	2,092	(1,487)	11,377
56,462	3,389	-	62,763
74,926	2,569	-	82,599
18,920	(16,764)	-	-
18,845	(18,161)	-	-
3,874	3,137	-	9,804
9,881	3,676	(1,487)	15,656
2,530	103	-	2,633
35,792	196	-	35,988

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FROM 1ST JANUARY TO 31ST DECEMBER 2014 „ANNEX 2 TO THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT“

in kEUR	Group 1 Jan. - 31 Dec. 2014	Discon-tinued operations 1 Jan. - 31 Dec. 2014	Continuing operations 1 Jan. - 31 Dec. 2014
Consolidated profit and loss account for the period from 1 January to 31 December 2014			
Rental income	9,280	555	8,725
Revenue from service charges	178	172	7
Rental expenses	(3,096)	-	(3,096)
Property-related operating expenses	(4,180)	(1,186)	(2,995)
Other property-related income and expenses	1,600	174	1,426
Net operating income (NOI) before expensed capital expenditures and write-downs	**3,782**	**(285)**	**4,067**
Expensed capital expenditures	(2)	-	(2)
(Write-downs)/reversal of write-downs on trade receivables	(214)	(195)	(18)
Net operating income (NOI) after expensed capital expenditures and write-downs	**3,567**	**(480)**	**4,047**
Revenue from the sale of real estate assets	13,791	4,848	8,943
Cost of sales	(496)	(304)	(192)
Book value of real estate assets sold	(13,427)	(4,599)	(8,828)
Acquisition costs and expenses from mergers	-	-	-
Income/(expenses) from the purchase/ sale of real estate companies	(153)	-	(153)
Profit/(loss) from the sale of real estate assets	**(284)**	**(55)**	**(230)**
Revenues from construction contracts	-	-	-
Expenses for construction contracts	-	-	-
Profit/(loss) from construction contracts	**-**	**-**	**-**
Profit/(loss) from changes in valuation of investment property	**(1,164)**	**64**	**(1,228)**
Personnel and administrative expenses	(4,941)	(1,482)	(3,459)
General selling and marketing expenses	(254)	-	(254)
Depreciation, amortisation and write-downs	138	310	(172)

Consolidated Statement of Comprehensive income

in kEUR	Group 1 Jan. - 31 Dec. 2014	Discon-tinued operations 1 Jan. - 31 Dec. 2014	Continuing operations 1 Jan. - 31 Dec. 2014
Earnings before interest and taxes (EBIT)	**(2,938)**	**(1,643)**	**(1,295)**
Interest income	186	82	104
Interest expenses	(2,185)	(136)	(2,049)
Other financial income / (financial expenses)	(192)	(83)	(109)
Financial result	**(2,191)**	**(137)**	**(2,054)**
Earnings before taxes (EBT)	**(5,129)**	**(1,780)**	**(3,349)**
Income tax	(1,069)	(1,234)	164
Consolidated net profit / (loss) for the period	**(6,198)**	**(3,013)**	**(3,185)**
Of which attributable to Group shareholders	(6,179)	(3,013)	(3,166)
Of which attributable to non-controlling interests	(19)	-	(19)
Average number of shares outstanding during the account period	10,400,000	10,400,000	10,400,000
Earnings per share (undiluted)	**EUR -0.59**	**EUR -0.29**	**EUR -0.30**
Comprehensive income reconciliation for the period from 1 January to 31 December 2014 (in kEUR)			
Net profit / (loss) for the period	**(6,198)**	**(3,013)**	**(3,185)**
Other comprehensive income			
Change in revaluation reserve for available-for-sale financial assets	140	-	140
Effective part of profits / losses from cash flow hedging relationships	-	-	-
Taxes on income applicable to the components of "Other comprehensive income"	(45)	-	(45)
Other comprehensive income for the period	**95**	**-**	**95**
Consolidated total comprehensive income	**(6,103)**	**(3,013)**	**(3,089)**
Of which attributable to Group shareholders	(6,084)	(3,013)	(3,070)
Of which attributable to non-controlling interests	(19)	-	(19)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FROM 1ST JANUARY TO 31ST DECEMBER 2013 „ANNEX 2 TO THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT“

in kEUR	Group 1 Jan. - 31 Dec. 2013	Discon-tinued operations 1 Jan. - 31 Dec. 2013	Continuing operations 1 Jan. - 31 Dec. 2013
Consolidated profit and loss account for the period from 1 January to 31 December 2013			
Rental income	9,829	1,619	8,210
Revenue from service charges	540	546	(7)
Rental expenses	(4,839)	(37)	(4,803)
Property-related operating expenses	(5,515)	(2,182)	(3,334)
Other property-related income and expenses	93	31	62
Net operating income (NOI) before expensed capital expenditures and write-downs	**107**	**(22)**	**129**
Expensed capital expenditures	(35)	-	(35)
(Write-downs)/reversal of write-downs on trade receivables	(765)	(430)	(335)
Net operating income (NOI) after expensed capital expenditures and write-downs	**(693)**	**(452)**	**(242)**
Revenue from the sale of real estate assets	37,571	19,231	18,340
Cost of sales	(8,563)	(2,911)	(5,653)
Book value of real estate assets sold	(38,642)	(20,063)	(18,579)
Acquisition costs and expenses from mergers	(8)	-	(8)
Income/(expenses) from the purchase/sale of real estate companies	-	-	-
Profit/(loss) from the sale of real estate assets	**(9,643)**	**(3,742)**	**(5,900)**
Revenues from construction contracts	-	-	-
Expenses for construction contracts	(370)	(370)	-
Profit/(loss) from construction contracts	**(370)**	**(370)**	**-**
Profit/(loss) from changes in valuation of investment property	**(20,099)**	**(2,963)**	**(17,136)**
Personnel and administrative expenses	(6,471)	(2,077)	(4,394)
General selling and marketing expenses	(383)	(102)	(281)
Depreciation, amortisation and write-downs	(4,803)	(3,165)	(1,638)

in kEUR	Group 1 Jan. - 31 Dec. 2013	Discon-tinued operations 1 Jan. - 31 Dec. 2013	Continuing operations 1 Jan. - 31 Dec. 2013
Earnings before interest and taxes (EBIT)	**(42,463)**	**(12,871)**	**(29,592)**
Interest income	28	4	23
Interest expenses	(2,325)	(721)	(1,604)
Other financial income/(financial expenses)	(1,658)	(687)	(971)
Financial result	**(3,956)**	**(1,404)**	**(2,552)**
Earnings before taxes (EBT)	**(46,419)**	**(14,275)**	**(32,143)**
Income tax	(7,663)	949	(8,612)
Consolidated net profit/(loss) for the period	**(54,082)**	**(13,326)**	**(40,755)**
Of which attributable to Group shareholders	(54,038)	(13,323)	(40,715)
Of which attributable to non-controlling interests	(44)	(3)	(41)
Average number of shares outstanding during the account period	10,400,000	10,400,000	10,400,000
Earnings per share (undiluted)	**EUR -5.20**	**EUR -1.28**	**EUR -3.91**
Comprehensive income reconciliation for the period from 1 January to 31 December 2013 (in kEUR)			
Net profit/(loss) for the period	**(54,082)**	**(13,326)**	**(40,755)**
Other comprehensive income			
Change in revaluation reserve for available-for-sale financial assets	137	-	137
Effective part of profits/losses from cash flow hedging relationships	-	-	-
Taxes on income applicable to the components of "Other comprehensive income"	(44)	-	(44)
Other comprehensive income for the period	**93**	**-**	**93**
Consolidated total comprehensive income	**(53,988)**	**(13,326)**	**(40,662)**
Of which attributable to Group shareholders	(53,936)	(13,316)	(40,619)
Of which attributable to non-controlling interests	(53)	(10)	(43)

INFORMATION ON THE DETERMINATION OF THE FAIR VALUE OF INVESTMENT PROPERTIES

„ANNEX 3 TO THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT“

Property valuation:

Property group	2014 (kEUR))	2013 (kEUR)	Valuation technique
Student residences in Frankfurt am Main (Riedberg I)			DCF (as previous year)
Carrying amount (fair value) as of 1 January	**19,141**	**19,313**	
Additions from acquisition	-	-	
Additions from subsequent acquisition costs	(32)	436	
Disposals (from sales)	-	-	
Transfers to other property groups	-	-	
Transfers to other hierarchy levels	-	-	
Disposals	-	-	
Net gains (losses) from fair value measurement	91	(609)	
Carrying amount (fair value) as of 31 December	**19,200**	**19,141**	
Student residences in Mainz, Wallstrasse 31-37			DCF (as previous year)
Carrying amount (fair value) as of 1 January	26,160	15,700	
Additions from acquisition	-	-	
Additions from subsequent acquisition costs	182	14,224	
Disposals (from sales)	-	-	
Transfers to other property groups	-	-	
Transfers to other hierarchy levels	-	-	
Disposals	-	-	
Net gains (losses) from fair value measurement	158	(3,764)	
Carrying amount (fair value) as of 31 December	26,500	26,160	

Information on the determination of the fair value of investment properties

Property valuation:			Supplementary information:	
Type of parameter	**Range 2014 (weighted average)**	**Range 2013 (weighted average)**	**Type of information**	**Range 2014 (weighted average)**
Market rent apartments p.m. (EUR/m²)	18.00	17.50	Fair value hierarchy	Level 3
Market rent parking space p.m. (EUR/space)	55.00	60.00		
Rent increase rate p.a. (in %)	2.00 %	2.00%	Segment:	YOUNIQ – Student Housing
Vacancy rate, current (in %)	0.00 %	9.54%	Year built	2012
Vacancy rate, long term (in %)	2.10 %	2.10%	Site area, total (in m²)	5,329.0
Discount rate (in %)	5.75 %	5.75%	Rental area, total (in m²)	5,160.0
Cap rate (in %)	5.00 %	5.13%	Number of apartments	232
Costs of sale (in %)	7.20 %	6.20%	Number of parking spaces	78
Developer gain (in % of sale price)	n.a.	n.a.	Completion rate	100.00 %
Market rent apartments p.m. (EUR/m²)	17.5	17.00	Fair value hierarchy	Level 3
Market rent parking space p.m. (EUR/space)	45.00	45.00		
Rent increase rate p.a. (in %)	2.00 %	2.00%	Segment:	YOUNIQ – Student Housing
Vacancy rate, current (in %)	4.32 %	70.26%	Year built	2013
Vacancy rate, long term (in %)	2.10 %	2.10%	Site area, total (in m²)	7,727.0
Discount rate (in %)	5.88 %	5.75%	Rental area, total (in m²)	7,689.0
Cap rate (in %)	5.25 %	5.00%	Number of apartments	392
Costs of sale (in %)	6.20 %	6.20%	Number of parking spaces	132
Developer gain (in % of sale price)	n.a.	n.a.	Completion rate	100.00 %

Continued on next page

INFORMATION ON THE DETERMINATION OF THE FAIR VALUE OF INVESTMENT PROPERTIES

„ANNEX 3 TO THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT“

Property valuation:

Property group	2014 (kEUR))	2013 (kEUR)	Valuation technique
Student residences in Potsdam, Jochen-Klepper Str.			DCF (as previous year)
Carrying amount (fair value) as of 1 January	**22.958**	**14.700**	
Additions from acquisition	-	-	
Additions from subsequent acquisition costs	7	11.421	
Disposals (from sales)	-	-	
Transfers to other property groups	-	-	
Transfers to other hierarchy levels	-	-	
Disposals	-	-	
Net gains (losses) from fair value measurement	(1.265)	(3.164)	
Carrying amount (fair value) as of 31 December	**21.700**	**22.958**	
Student residences in Bayreuth, Bismarckstrasse 45			DCF (previous year: residual value)
Carrying amount (fair value) as of 1 January	10.942	5.200	
Additions from acquisition	-	-	
Additions from subsequent acquisition costs	2.060	8.822	
Disposals (from sales)	-	-	
Transfers to other property groups	-	-	
Transfers to other hierarchy levels	-	-	
Disposals	-	-	
Net gains (losses) from fair value measurement	99	(3.080)	
Carrying amount (fair value) as of 31 December	13.100	10.942	

Property valuation:			**Supplementary information:**	
Type of parameter	**Range 2014 (weighted average)**	**Range 2013 (weighted average)**	**Type of information**	**Range 2014 (weighted average)**
Market rent apartments p.m. (EUR/m²)	14.75	15.00	Fair value hierarchy	Level 3
Market rent parking space p.m. (EUR/space)	35.00	20.00		
Rent increase rate p.a. (in %)	2.00%	2.00%	Segment:	YOUNIQ – Student Housing
Vacancy rate, current (in %)	19.14%	86.58%	Year built	2013
Vacancy rate, long term (in %)	2.10%	2.10%	Site area, total (in m²)	8.994,0
Discount rate (in %)	5.75%	4.88%	Rental area, total (in m²)	8.084,0
Cap rate (in %)	5.25%	5.00%	Number of apartments	387
Costs of sale (in %)	6.20%	6.20%	Number of parking spaces	27
Developer gain (in % of sale price)	n.a.	n.a.	Completion rate	100.00%

Market rent apartments p.m. (EUR/m²)	12.50	12.50	Fair value hierarchy	Level 3
Market rent parking space p.m. (EUR/space)	50.00	50.00		
Rent increase rate p.a. (in %)	2.00%	2.00%	Segment:	YOUNIQ – Student Housing
Vacancy rate, current (in %)	1.81%	n.a.	Year built	2014
Vacancy rate, long term (in %)	2.1%	n.a.	Site area, total (in m²)	5.764,0
Discount rate (in %)	5.75%	n.a.	Rental area, total (in m²)	5.207,0
Cap rate (in %)	5.00%	n.a.	Number of apartments	236
Costs of sale (in %)	5.25%	5.48%	Number of parking spaces	80
Developer gain (in % of sale price)	n.a.	1.10%	Completion rate	100.00%

ADJUSTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 1 JANUARY 2013 AND 31 DECEMBER 2013 IN ACCORDANCE WITH IAS 1.10F

„ANNEX 4 TO THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT“

in kEUR	Adjusted opening statement 01.01.2013	Balance as originally reported 31.12.2013	Reclassifi-cations	Adjusted balance as of 31.12.2013
Non-current assets				
Intangible assets	52	30	-	30
Property, plant and equipment	492	6,703	(6,201)	502
Investment property	90,877	74,381	6,201	80,582
Non-current primary financial instruments	2,435	2,572	-	2,572
Deferred tax assets	7,276	-	-	-
Non-current assets, total	**101,132**	**83,686**	**-**	**83,686**
Current assets				
Inventories	8,388	17,454	-	17,454
Trade receivables	214	112	-	112
Derivative financial instruments	-	288	-	288
Income tax receivables	239	21	-	21
Other short-term receivables and assets	2,316	3,430	-	3,430
Cash and cash equivalents (restricted)	1,042	637	-	637
Cash and cash equivalents (non-restricted)	5,071	1,880	-	1,880
	17,270	23,822	-	23,822
Non-current assets held for sale	39,173	17,945	-	17,945
Current assets, total	**56,442**	**41,767**	**-**	**41,767**
Assets, total	**157,574**	**125,453**	**-**	**125,453**
Equity				
Subscribed capital	10,400	10,400	-	10,400
Capital reserve	61,897	61,924	-	61,924
Retained earnings	15,672	8,570	-	8,570
Consolidated net profit/(loss) for the period	(7,096)	(54,038)	-	(54,038)
Revaluation reserve	67	160	-	160
Equity attributable to Group shareholders (in EUR)	80,939	27,016	-	27,016

Adjusted consolidated statements of financial position as of
1 January 2013 and 31 December 2013 in accordance with IAS 1.10f

in kEUR	Adjusted opening statement 01.01.2013	Balance as originally reported 31.12.2013	Reclassifi-cations	Adjusted balance as of 31.12.2013
Non-controlling interests	220	182	-	182
Equity, total	**81,160**	**27,198**	-	**27,198**
Non-current liabilities				
Liabilities to banks	13,089	40,657	-	40,657
Deferred tax liabilities	-	435	-	435
Derivative financial instruments	118	-	-	-
Liabilities to affiliated companies	-	-	-	-
Long-term provisions	-	1,647	-	1,647
Other long-term liabilities	7,533	2,953	-	2,953
Non-current liabilities, total	**20,740**	**45,692**	-	**45,692**
Current liabilities				
Other short-term provisions	466	3,318	-	3,318
Income tax liabilities	83	83	-	83
Liabilities to banks	27,922	28,885	-	28,885
Trade payables	4,788	4,661	-	4,661
Other short-term liabilities	549	6,716	-	6,716
	33,808	43,662	-	43,662
Liabilities in connection with available-for-sale assets	21,866	8,900	-	8,900
Current liabilities, total	**55,674**	**52,562**	-	**52,562**
Subtotal liabilities	**76,414**	**98,255**	-	**98,255**
Equity and liabilities, total	**157,574**	**125,453**	-	**125,453**

ADJUSTED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FROM 1 JANUARY TO 31 DECEMBER 2013 (SELECTED)

„ANNEX 4 TO THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT“

in kEUR	1.1.-31.12.2013	Reclassifi-cations	1.1.-31.12.2013 adjusted
Profit/(loss) from changes in valuation of investment property	(16,920)	(216)	(17,136)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**(27,737)**	**(216)**	**(27,954)**
Depreciation, amortisation and write-downs	(1,854)	216	(1,638)
Operating result (EBIT)	**(29,592)**	**0**	**(29,592)**

Translation of the German audit opinion concerning the audit of the consolidated financial statements and combined management report prepared in German

AUDIT OPINION

We have audited the consolidated financial statements prepared by YOUNIQ AG, Frankfurt am Main, comprising the consolidated balance sheet, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes to the consolidated financial statements, together with the group management report, which was combined with the management report of the Company, for the fiscal year from 1 January to 31 December 2014. The preparation of the consolidated financial statements and the combined management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB ["Handelsgesetzbuch": German Commercial Code] is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and the combined management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those companies included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU as well as the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The combined management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Without qualifying this opinion, we refer to the comments in the combined management report. There it is stated in sections 4.1 "Forecast Report", 4.2.1.II.a) "Risks to the company's continued existence" and 4.2.1.III "Overall assessment of the risk situation" that the parent company's and its subsidiaries' liquidity can only be covered by selling student accommodation unless the bank loans (at the companies holding real estate) are extended and increased as planned or, if the aforementioned bank loans are not extended and increased, unless sufficient equity and debt capital is provided by the majority shareholder or by other investors. As a result of one of the measures described as well as the extension to the loans due in 2015 and 2016, the YOUNIQ Group expects cash flows in the fiscal year 2015 which are to be used to repay the bond of EUR 5,000k issued by Youniq Potsdam GmbH and due on 17 June 2015. Furthermore, the planned liquidity injection should guarantee a stable and sufficient liquidity situation at the YOUNIQ Group.

Berlin, 18 March 2015

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Wehner	Werling
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

RESPONSIBILITY STATEMENT

The Management Board of YOUNIQ AG is responsible for the preparation, completeness and accuracy of the consolidated financial statements, the Group management report and the other information provided in the annual report.

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) to be applied in the EU as well as the supplementary commercial regulations to be applied according to art. 315a paragraph 1 HGB.

The Group management report includes an analysis of the Group's net assets, financial position and results of operations and other information that must be disclosed in accordance with the German Commercial Code (art. 315 HGB).

An effective internal management and control system is in place to ensure the completeness and reliability of the data for the preparation of the consolidated financial statements and internal reporting. It contains uniform Group-wide guidelines on financial reporting and risk management in accordance with the German Corporate Control and Transparency Act (KonTraG) and an integrated controlling concept as part of value-oriented management. This enables the Management Board to identify significant risks at an early stage and initiate countermeasures where necessary.

The statement in accordance with art. 37y no. 1 of the German Securities Trading Act (WpHG) in conjunction with art. 297 paragraph 2 sentence 4 and art. 315 paragraph 1 sentence 6 of the German Commercial Code (HGB) is as follows:

"To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group."

Frankfurt/Main, 18 March 2015

Alexander Kersting
Management Board of YOUNIQ AG

IMPRINT

The annual report of YOUNIQ AG contains forward-looking statements based on current assumptions and estimates.

These statements must not be taken as a guarantee that these events will occur.

The annual report is also available in German. In case of doubt, the German version of the annual report takes precedence.

An online version of the annual report is available on the company's website (www.youniq-group.de).

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PHOTOGRAPHY AND ILLUSTRATIONS

13TH MAY 2015	CORPORATE NEWS Q1
AUGUST 2015	ANNUAL GENERAL MEETING
27TH AUGUST 2015	INTERIM FINANCIAL REPORT AS OF 30 JUNE 2015
13TH NOVEMBER 2015	CORPORATE NEWS Q3

FINANCIAL CALENDAR