Annual Report
Index International AB (publ)

Index Enterprise,
LLC and subsidiaries

2014

Monterey Pointe, Orlando, FL

Contents

Independent Auditors' Report

Index Enterprise, LLC
Jupiter, Florida

We have audited the accompanying consolidated financial statements of Index Enterprise, LLC and Subsidiaries, which comprise the consolidated balance sheet as of December 31, 2014, and the related consolidated statements of operations, comprehensive loss, changes in members' deficit and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Index Enterprise, LLC and Subsidiaries as of December 31, 2014, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Kaufman, Rossin & Co., P.A.
March 31, 2015
Miami, Florida

Consolidated Balance Sheet
December 31, 2014

ASSETS

RENTAL PROPERTY (NOTE 6)	$ 96,898,270
ASSETS HELD FOR DEVELOPMENT (NOTE 5)	24,588,412
CASH AND CASH EQUIVALENTS	5,083,449
RESTRICTED CASH	3,652,205
DUE FROM RELATED PARTIES (NOTE 10)	2,180,877
DEFERRED COSTS, NET (NOTE 9)	744,842
INVESTMENT IN UNCONSOLIDATED INVESTEE (NOTE 4)	724,132
PRE-ACQUISITION COSTS	237,264
PREPAID EXPENSES	198,091
ACCOUNTS RECEIVABLE, NET OF ALLOWANCE FOR DOUBTFUL ACCOUNTS OF $ 152,772	137,827
	$ 134,445,369

LIABILITIES AND MEMBERS' DEFICIT

LONG-TERM DEBT – RELATED PARTIES (NOTES 3 AND 8)	$ 73,830,458
LONG-TERM DEBT (NOTE 7)	65,792,108
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	6,729,760
FAIR VALUE OF INTEREST RATE SWAPS	626,056
TENANT SECURITY DEPOSITS	199,519
UNEARNED RENT	96,328
COMMITMENTS AND CONTINGENCIES (NOTE 11)	
MEMBERS' DEFICIT OF INDEX ENTERPRISE, LLC	(15,393,326)
NONCONTROLLING INTEREST	2,564,466
	$ 134,445,369

Consolidated Statement of Operations
Year ended December 31, 2014

INCOME

Rental income	$ 5,181,477
Tenant expense recovery	494,454
Total income	**5,675,931**

OPERATING EXPENSES

Management fees (Note 10)	3,082,482
Depreciation (Note 6)	2,432,929
Common area maintenance	2,324,785
Real estate taxes	1,252,966
Professional fees (Note 10)	1,019,991
Other operating expenses	1,677,063
Total operating expenses	**11,790,216**
LOSS FROM OPERATIONS	**(6,114,285)**

OTHER INCOME (EXPENSE)

Interest expense (Notes 7 and 8)	(5,938,717)
Equity in earnings of unconsolidated investee (Note 4)	(275,868)
Interest income	46,797
Other income	5,025
Total other income (expense)	**(6,162,763)**
NET LOSS	**(12,277,048)**

NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST	(1,359,639)
NET LOSS ATTRIBUTABLE TO INDEX ENTERPRISE, LLC	**$ (10,917,409)**

Consolidated Statement of Comprehensive Loss
Year ended December 31, 2014

NET LOSS ATTRIBUTABLE TO INDEX ENTERPRISE, LLC	**$ (10,917,409)**
OTHER COMPREHENSIVE LOSS	
Change in fair value of interest rate swaps	(516,496)
COMPREHENSIVE LOSS ATTRIBUTABLE TO INDEX ENTERPRISE, LLC	**$ (11,433,905)**
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST	**$ (1,359,639)**
OTHER COMPREHENSIVE LOSS	
Change in fair value of interest rate swaps	(109,560)
COMPREHENSIVE LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST	**$ (1,469,199)**
Net Loss	$ (12,277,048)
TOTAL OTHER COMPREHENSIVE LOSS	
Change in fair value of interest rate swaps	(626,056)
COMPREHENSIVE LOSS	**$ (12,903,104)**

Consolidated Statement of Changes in Members' Deficit Year ended December 31, 2014

	Members' deficit – Index Enterprise, LCC	Accumulated other comprehensive loss	Non-controlling Interest	Total
Members' deficit as of December 31, 2013	$ (4,409,421)	$ -	$ (259,828)	$ (4,669,249)
Consolidation of previously unconsolidated investees	-	-	2,814,653	2,814,653
Capital contributions – cash	-	-	309,083	309,083
Capital contributions – noncash	450,000	-	1,441,908	1,891,908
Distributions	-	-	(945,450)	(945,450)
Equity based compensation	-	-	673,299	673,299
Net loss	(10,917,409)	-	(1,359,639)	(12,277,048)
Other comprehensive loss	-	(516,496)	(109,560)	(626,056)
Members' deficit as of December 31, 2014	$ (14,876,830)	$ (516,496)	$ 2,564,466	$ (12,828,860)

Consolidated Statement of Cash Flows
Year ended December 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	$ (12,277,048)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	2,432,929
Amortization of loan costs	233,955
Bad debt expense	152,772
Equity in earnings of unconsolidated investee	275,868
Accrued interest on long-term debt – related parties	4,682,604
Equity based compensation	673,299
Changes in operating assets and liabilities:	
Accounts receivable	(185,732)
Prepaid expenses	(148,050)
Deferred leasing costs, net	(250,896)
Accounts payable and accrued liabilities	124,588
Tenant security deposits	82,324
Unearned rent	130,908
Total adjustments	**8,204,569**
Net cash used in operating activities	**(4,072,479)**

CASH FLOWS FROM INVESTING ACTIVITIES:

Restricted cash	(2,135,010)
Cash acquired upon consolidation of previously unconsolidated investees	911,381
Investments in and advances to unconsolidated investees	(1,000,000)
Investments in assets held for development	(24,798,673)
Investments in rental properties	(22,383,621)
Advances to related parties	(1,116,901)
Pre acquisition costs	(237,264)
Net cash used in investing activities	**(50,760,088)**

CASH FLOWS FROM FINANCING ACTIVITIES:

Capital contributions – noncontrolling interest	309,083
Distributions – noncontrolling interest	(945,450)
Proceeds from long-term debt – related parties	21,045,036
Repayments of long-term debt – related parties	(720,000)
Proceeds from long-term debt	37,629,358
Repayments of long-term debt	(1,926,615)
Deferred financing costs	(319,442)
Net cash provided by financing activities	**55,071,970**
NET DECREASE IN CASH AND CASH EQUIVALENTS	**239,403**
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	4,844,046
CASH AND CASH EQUIVALENTS – END OF YEAR	**$ 5,083,449**

Consolidated Statement of Cash Flows (continued)
Year ended December 31, 2014

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	**$**	**2,622,365**
Income taxes paid	**$**	**-**

SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING AND INVESTING ACTIVITIES:		
Unpaid interest expense capitalized as assets held for development	**$**	**124,436**
Change in fair value of interest rate swaps recorded in other comprehensive loss	**$**	**626,056**
Extinguishment of accrued interest to related party recorded as a capital contribution	**$**	**450,000**
Transfers from pre-acquisition costs to assets held for development	**$**	**426,910**
Developer fees included in assets held for development recorded as capital contributions	**$**	**1,441,908**
Net transfers from assets held for development to rental property	**$**	**42,629,000**
Amortization of loan costs capitalized to assets held for development	**$**	**132,267**

CONSOLIDATION OF PREVIOUSLY UNCONSOLIDATED INVESTEES:		
Restricted cash	$	63,461
Accounts receivable		104,867
Prepaid expenses		41,221
Rental property		31,705,905
Assets held for development		34,715,969
Deferred costs, net		540,726
Pre-acquisition costs		426,910
Accounts payable and accrued expenses		(5,577,003)
Unearned rent		(14,004)
Tenant security deposits		(68,611)
Long-term debt		(30,089,365)
Long-term debt – related parties		(5,913,126)
Noncontrolling interest		(2,814,653)
Investments in unconsolidated investees		(24,033,678)
Net cash acquired	**$**	**911,381**

Notes To Consolidated Financial Statements

Note 1. Summary Of Significant Accounting Policies

Business Activity
Index Enterprise, LLC ("Index") is a Florida limited liability company formed on November 19, 2012. Index was established as a real estate investment vehicle; its primary purpose is the pursuit of opportunistic investments within the real estate industry. Index owns, develops and invests in real estate through its wholly owned and controlled subsidiaries in Florida, New York and Michigan and its unconsolidated investee in Florida. Index's portfolio includes a primary emphasis on multi-family residential rental developments in Florida, as well as industrial property redevelopments, commercial office and retail opportunities, development of assisted living facilities and development of residential condominiums. Approximately 86% of Index's rental property and assets held for development at December 31, 2014 and approximately 75% of income for the year ended December 31, 2014 was from multi-family residential developments.

Basis of Consolidation
The consolidated financial statements include the accounts of Index and its wholly owned and controlled subsidiaries, collectively referred to as the "Company." All significant intercompany accounts and transactions have been eliminated in consolidation. Noncontrolling interest represents the portion of equity that Index does not own in entities that are consolidated.

Unconsolidated Investees
Investments in unconsolidated investees, in which the Company exercises significant influence, but is not the managing member nor possesses overriding control, are accounted for under the equity method of accounting, whereby the Company recognizes its proportionate share of the investee's undistributed earnings or losses and reduces its investment to reflect distributions received from the investee.

Assets Held for Development
Assets held for development are recorded at cost and no depreciation is recorded. All direct and indirect costs related to development activities are capitalized. Costs incurred include land costs and pre-development expenditures directly related to a specific project including development and construction costs, interest, insurance and real estate taxes. Indirect general and administrative development costs include travel and other related costs that are associated with the development of the project. The capitalization of such expenses ceases when the project is ready for its intended use. If it is determined that a project is no longer probable, all development project costs are expensed.

Rental Property
Rental property is recorded at cost. Expenditures for major betterments and additions are charged to the asset accounts, while replacements, maintenance and repairs which do not improve or extend the lives of the respective assets are charged to expense as incurred.

Depreciation and Amortization
Depreciation of rental property is computed by the straight-line method using various rates based generally on the estimated useful lives of the assets, which are 39 years for buildings, 15 years for property improvements, and 5 years for furniture and fixtures.

Pre-acquisition Costs
Costs related to locating, evaluating, negotiating and structuring property investment prior to acquisition are capitalized if all of the following conditions are met: (i) costs are directly identifiable with the specific property, (ii) costs would be capitalized if the property was already acquired and, (iii) acquisition of the property is probable. Costs are charged to expense when it is known that the property will not be acquired.

Impairment of Long-Lived Assets
Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the asset, an impairment loss is recognized to the extent the carrying amount of the impaired asset exceeds fair value. Management's assessment of the recoverability of its long-lived assets includes, but is not limited to, recent operating results, expected undiscounted net operating cash flow and management's plans for future operations. If an asset is considered held for sale, a provision for loss is recognized if the fair value of the asset, less the estimated cost to sell, is less than the carrying amount of the asset. Depreciation and amortization expense, related to an asset, ceases once an asset is considered held for sale.

Cash and Cash Equivalents
The Company considers all highly liquid investments with original purchased maturities of three months or less to be cash equivalents.

From time to time, the Company maintains cash balances with financial institutions in excess of federally insured limits.

Restricted Cash
Restricted cash consists principally of cash held in trust for the funding of future real estate investments, tenant security deposits and funds held as collateral for certain third party debt.

Purchase Accounting for the Acquisition of Rental Properties
Upon the acquisition of rental properties, the purchase price is allocated to the acquired tangible assets, consisting of land, land improvements, building and equipment, and identifiable intangible assets and liabilities, such as the value of above-market and below-market leases, and the value of in-place leases, based in each case on their fair values. The fair value of contingent consideration and certain potential liabilities are included in the purchase price allocation and acquisition costs are expensed as incurred.

Due from Related Parties
Amounts due from related parties are stated at the outstanding balance of funds due for repayment of cash advances. The carrying amount may be reduced by an allowance that reflects management's best estimate of the amounts that will not be collected. As management believes that the amounts are fully collectible and are therefore stated at net realizable value, management has not recorded an allowance for doubtful accounts.

Accounts Receivable
Tenant receivables are uncollateralized tenant obligations due under normal lease terms. The carrying amount of tenant receivables may be reduced by an allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all tenant receivables and based on assessment of current credit worthiness, estimates the portion, if any, of the balance that will not be collected. Receivables are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Notes To Consolidated Financial Statements

Note 1. Summary Of Significant Accounting Policies (Continued)

Deferred Leasing Costs
Costs incurred in connection with executing leases, such as broker commissions and legal fees, are deferred and amortized over the initial term of the related lease using the straight line method.

Deferred Financing Costs
Deferred financing costs, principally loan origination and related fees, are deferred and amortized to interest expense on a straight line method over the term of the loan, which approximates the effective interest method.

Revenue Recognition
Tenant leases are classified as operating leases. Rental income is recognized when rent is due from tenants and collectibility is reasonably assured. For leases that provide rent concessions or fixed escalations over the lease term, rental income is recognized on a straight line basis over the terms of the respective leases. Contingent rents are not recognized until realized. Base minimum rents in excess of actual tenant billings are classified as deferred rent receivable. Operating expense reimbursements charged to tenants for estimated operating expenses to run the properties are billed monthly to tenants with an annual actual to estimate reconciliation adjustment performed at calendar year end in accordance with the tenant leases. Tenant rents received in advance of the due date are classified as deferred income. The Company presents revenues net of any applicable sales tax.

Environmental Costs
Costs related to environmental remediation are charged to expense. Other environmental costs are also charged to expense unless they increase the value of the property and/or provide future economic benefits, in which event they are capitalized. Liabilities are recognized when the expenditures are considered probable and can be reasonably estimated. Measurement of liabilities is based on currently enacted laws and regulations, existing technology, and undiscounted site specific costs. Generally, such recognition coincides with the Company's commitment to a formal plan of action. Accruals for environmental matters exclude claims for recoveries from insurance carriers and other third parties until it is probable that such recoveries will be realized.

Accounting for Derivative Instruments
The Company uses interest rate swaps to manage or hedge interest risks and records the derivatives in its consolidated balance sheet at fair value. The Company has elected to early adopt Financial Accounting Standards Board Accounting Standards Update No. 2014-03 which permits private companies to use a simplified hedge accounting approach to account for swaps that are entered into for the purpose of economically converting a variable-rate borrowing into a fixed-rate borrowing. Under this simplified approach, an eligible private company can assume that a hedging relationship is perfectly effective if the swap and the debt meet certain qualitative criteria.

Changes in the fair value of cash flow hedges are recorded each period in other comprehensive income (loss) as long as the hedge is effective. If a cash flow hedge is determined to be ineffective, the hedge is immediately recognized in earnings to the extent that the change in value of the derivative does not perfectly offset the change in value of the instrument being hedged.

Fair Value Measurements
Fair value is defined as the price that the Company would receive to sell an asset or pay to transfer a liability in a timely transaction with an independent counter-party in the principal market or in the absence of a principal market, the most advantageous market for the investment or liability. "Fair Value Measurements" as prescribed by the Accounting Standards Codification, establishes a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. Various inputs are used in determining the value of the Company's assets and liabilities.

The inputs are summarized in the three broad levels listed below.

Level 1 - quoted prices in active markets for identical assets and liabilities
Level 2 - observable inputs other than Level 1 process, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
Level 3 - unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities (including the Company's own assumptions in determining the fair values of assets and liabilities).

The following is a description of the valuation methodologies used for the Company's financial assets and liabilities measured at fair value on a recurring basis, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy:

Interest rate swaps – The Company's interest rate swaps are valued under an income approach using industry standard models that consider various assumptions, including time value, volatility factors, current market and contractual prices for the underlying and counter-party non-performance risk. Substantially all of these assumptions are observable in the marketplace throughout the full-term of the instrument, and can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace. This financial instrument is measured at fair value on a recurring basis, using Level 2 measurement inputs in the three-tier fair value hierarchy.

As of December 31, 2014, the fair value of the Company's interest rate swaps resulted in a liability of approximately $ 626,000.

Fair Value of Financial Instruments
The following methods and assumptions were used by the Company in estimating the fair values of each class of non derivative financial instruments disclosed herein:

Long-term debt, long-term debt – related parties and note receivable (included as a component of due from related parties) – Based upon the interest rates, current economic conditions, risk characteristics, collateral and other factors, the carrying amount of these financial instruments approximates fair value.

Advances to related parties (included as a component of due from related parties) – Based on the short-term nature, the carrying amount of this financial instrument approximates fair value.

Notes To Consolidated Financial Statements

Note 1. Summary Of Significant Accounting Policies (Continued)

Federal Withholding Liabilities
The Company regularly borrows money from certain lenders in Sweden. Should the related loan agreements not meet the U.S. Internal Revenue Service ("IRS") requirements for portfolio interest, the IRS rules may require withholding of federal income taxes for foreign note holders.

Equity-Based Compensation
Equity-based compensation to non-employees is accounted for by using the fair value method, whereby the fair value of equity-based payments is recorded over the service period.

Advertising and Marketing Costs
Advertising and marketing costs are charged to operations as incurred. For the year ended December 31, 2014, advertising and marketing costs amounted to approximately $ 122,000, and is included as a component of other operating expenses in the accompanying consolidated statement of operations.

Income Taxes
The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable by the Company. Members are taxed individually on their share of the Company's earnings. The Company's net income or loss is allocated among the members in accordance with the operating agreement of the Company. No provision for income taxes is included in the accompanying financial statements. The Company is subject to certain state income taxes.

The Company assesses its tax positions in accordance with "Accounting for Uncertainties in Income Taxes" as prescribed by the Accounting Standards Codification, which provides guidance for financial statement recognition and measurement of uncertain tax positions taken or expected to be taken in a tax return for open tax years (generally a period of three years from the later of each return's due date or the date filed) that remain subject to examination by the Company's major tax jurisdictions. Generally, the Company is subject to income tax examinations by major taxing authorities since inception.

The Company assesses its tax positions and determines whether it has any material unrecognized liabilities for uncertain tax positions. The Company records these liabilities to the extent it deems them more likely than not to be incurred. Interest and penalties related to uncertain tax positions, if any, would be classified as a component of income tax expense.

The Company believes that it does not have any significant uncertain tax positions requiring recognition or measurement in the accompanying financial statements.

Use of Estimates in the Preparation of Financial Statements
The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the balance sheet date and the reported amounts of revenues and expenses for the year presented. Actual results could differ from those estimates.

NOTE 2. BUSINESS COMBINATIONS

Commercial Office Acquisition
On March 7, 2014, in order to expand its real estate portfolio, the Company acquired a 12,188 square foot commercial office building in Jupiter, Florida for $ 3,500,000. The fair value of the assets acquired were allocated $ 1,780,242 to land and the remainder to buildings and improvements and are included as a component of rental property in the accompanying consolidated balance sheet. The purchase price was financed with third party debt of $ 1,750,000 and related party debt of $ 1,750,000.

Residential Rental Properties
Effective January 1, 2014, the Company obtained control of certain investments, which were previously accounted for on the equity method of accounting, as a result of certain provisions in the investees respective operating agreements. Consolidation of these entities was recorded as a business combination, resulting in the derecognition of investments in unconsolidated investees and the recordation of the assets acquired, liabilities assumed and a noncontrolling interest.

Notes To Consolidated Financial Statements

Note 2. Business combinations (continued)

The following table summarizes the assets acquired, liabilities assumed and the noncontrolling interest at the acquisition date:

Assets acquired	
Assets held for development	$ 34,715,969
Rental property	31,705,905
Cash	911,381
Deferred costs, net	540,726
Pre-acquisition costs	426,910
Accounts receivable	104,867
Restricted cash	63,461
Prepaid expenses	41,221
	68,510,440
Liabilities assumed	
Long-term debt	30,089,365
Long-term debt – related parties	5,913,126
Accounts payable and accrued expenses	5,577,003
Noncontrolling interest	2,814,653
Tenant security deposits	68,611
Unearned rent	14,004
	44,476,762
Investments in unconsolidated investees – derecognized	**$ 24,033,678**

Note 3. Economic dependency

A large part of the Company's financing is derived from related parties, principally Swedish entities. The Company is dependent upon such financing to fund its real estate investment activities, including capital commitments. In the absence of receiving sufficient operating cash flow from its current real estate investments, the Company's ongoing liquidity and ability to make future investments is dependent upon continued financing from its related parties. Additionally, any changes in the laws, economy or political conditions of Sweden that curtail related parties lending to the Company could result in a material adverse effect on the operating results and financial condition of the Company.

Notes To Consolidated Financial Statements

Note 4. Investment in unconsolidated investee

Investment in unconsolidated investee at December 31, 2014, consisted of the following:

Residential Condominium Development	
Premier Riva, LLC	$ 724,132

Residential Condominium Development

On October 9, 2014, the Company acquired a 50% interest in one residential condominium development entity. Although the Company is a 50% owner, it is not the managing member and does not control the investee, as such it reflects its investment on the equity method.

At December 31, 2014, the Company's aggregate equity method investment in its residential condominium development investee consisted of the following:

	Amount
Balance – December 31, 2013	$ –
Contributions	1,000,000
Proportionate share of loss for the year ended December 31, 2014	(275,868)
Balance – December 31, 2014	**$ 724,132**

The results of operations and financial position of the Company's residential condominium development investee consisted of the following:

Condensed Statement of Operations Information	For the period from October 9, 2014 through December 31, 2014 (unaudited)
Revenue	$ -
Expenses	(551,735)
Net loss	$ (551,735)
Company's equity in aggregate net loss	**$ (275,868)**

Condensed Balance Sheet Information	December 31, 2014 (unaudited)
Total assets	$ 23,339,452
Total liabilities	(22,047,870)
Members' equity	**$ 1,291,582**

Notes To Consolidated Financial Statements

Note 5. Assets held for development

Assets held for development, consisting of multi-family residential rental development entities, an assisted living facility development and a retail development all located in Florida, are as follows at December 31, 2014:

Land and land deposits	$ 10,786,172
Construction in progress	13,560,856
Capitalized interest	241,384
	$ 24,588,412

In 2014, certain assets held for development were placed into service as rental property.

Note 6. Rental property

Rental property, consisting of industrial property located in New York and Michigan, residential rental property located in Florida and a commercial office building in Jupiter, Florida is as follows at December 31, 2014:

Land	$ 14,835,635
Buildings and improvements	77,554,692
Furniture and fixtures	7,181,533
Less: accumulated depreciation	(2,673,590)
	$ 96,898,270

Depreciation expense amounted to approximately $ 2,433,000 – for the year ended December 31, 2014.

Notes To Consolidated Financial Statements

Note 7. Long-term debt

Long-term debt at December 31, 2014 consisted of the following:

Dakota Abacoa Housing, LLC
Dakota Abacoa Housing, LLC ("Dakota") held a construction loan with PNC Bank, N.A., with a principal balance of $ 20,000,000, requiring monthly payments of interest only at an annual rate of 4.5%. As of June 20, 2014, Dakota refinanced the loan which increased the principal balance to $ 25,559,349 and extended the loan's maturity date to June 20, 2021. Concurrent with the refinancing, the Company entered into two interest rate swap agreements under consistent notional and maturity terms, effectively fixing the variable interest rate exposure to 2.305% on the initial 20,000,000 draw and 1.91% on the remaining $ 5,400,000 at December 31, 2014. The loan provides for monthly payments of $ 32,556 principal plus interest, which may increase as described in the loan agreement. The loan is collateralized by the real estate owned by Dakota and guaranteed by the noncontrolling member. *$ 25,271,828*

Bridgewater Lake Osborne, LLC
Bridgewater Lake Osborne, LLC ("Bridgewater") holds a loan with Branch Banking and Trust Company, dated January 22, 2013 in a an amount not to exceed $ 13,000,000 to fund the construction and development of the project. Commencing on February 1, 2013, the construction loan requires monthly payments of interest only at an annual rate equal to the sum of 2.5% plus the 30-day LIBOR for the interest period. All outstanding principal and unpaid interest amounts are payable on or before the loan's maturity date, January 21, 2016. If certain conditions are met, Bridgewater has the option of extending the loan's maturity date to January 22, 2020. The loan is collateralized by the real estate owned by Bridgewater and guaranteed by the noncontrolling member and certain subsidiaries of the Company. *12,948,018*

Little Palm Cottages, LLC
Little Palm Cottages, LLC ("Little Torch") holds a loan with Branch Banking and Trust Company, dated October 11, 2013, in an amount not to exceed $ 9,300,000 to fund the construction and development of the project. The construction loan requires monthly payments of interest only at an annual rate equal to the adjusted LIBOR rate, as defined, for the interest period. If certain conditions are met, the loan will convert to a term loan in April 2015. The term loan will require monthly payments of principal and interest based on a 30-year amortization schedule for a term of 54 months. The loan is collateralized by the real estate owned by Little Torch and guaranteed by the noncontrolling member and certain subsidiaries of the Company. *9,299,520*

Mangrove Bay Housing, LLC
Mangrove Bay Housing, LLC ("Mangrove Bay") holds a loan with KeyBank National Association, dated July 26, 2013, in an amount not to exceed $ 14,100,000 to fund the construction and development of the project. The construction loan requires monthly payments of interest only at an annual rate equal to 2.94%. All outstanding principal and unpaid interest amounts are payable on or before the loan's maturity date, in January 2016. The loan is collateralized by the real estate owned by Mangrove Bay and guaranteed by the noncontrolling member and certain subsidiaries of the Company. *13,027,770*

Sonoma Pointe Housing, LLC
Sonoma Pointe Housing, LLC ("Sonoma Pointe") holds a loan with PNC Bank, dated August 25, 2014, in an amount not to exceed $ 19,475,000 to fund the construction and development of the project. The construction loan requires monthly payments of interest only at an annual rate equal to 2.56%. All outstanding principal and unpaid interest amounts are payable on or before the loan's maturity date, August 25 2017. The loan is collateralized by the real-estate owned by Sonoma Pointe and guaranteed by the noncontrolling member and certain subsidiaries of the Company. *1,944,000*

Marathon Ocean Housing, LLC
Marathon Ocean Housing, LLC ("Marathon Ocean") holds a loan with Branch Banking and Trust Company, dated May 12, 2014, in an amount not to exceed $ 1,980,000 to fund the construction and development of the project. The construction loan requires monthly payments of interest only at an annual rate equal to 2.69%. The loan is collateralized by the real estate owned by Marathon Ocean and guaranteed by the noncontrolling member and certain subsidiaries of the Company. This loan was refinanced in March 2015 (see note 14). *1,980,000*

Jupiter Harbour Office, LLC
Jupiter Harbour Office, LLC ("Jupiter Harbour") holds a loan with Stonegate Bank, dated March 7, 2014, in an amount not to exceed $ 1,750,000 as a mortgage collateralized by the property. The mortgage requires monthly payments of approximately $ 7,800 of principal and interest at an annual rate equal to 4.80%. All outstanding principal and unpaid interest amounts are payable on or before the loan's maturity date, March 7, 2024. The loan is collateralized by the real-estate owned by Jupiter Harbour and guaranteed by a member of the Company. *1,320,972*

Watercrest of Lake Nona Senior Real Estate, LLC
Watercrest of Lake Nona Senior Real Estate, LLC ("Lake Nona Real Estate"), holds a loan with Community and Southern Bank, dated August 27, 2014, in an amount not to exceed $ 13,746,594 to fund the construction and development of the project. The construction loan requires monthly payments of interest only at an annual rate equal to 4.18%. All outstanding principal and unpaid interest amounts are payable on or before the loan's maturity date, August 27, 2017. As of December 31, 2014, no amounts had been borrowed. The loan is collateralized by the real estate owned by Lake Nona Real Estate and guaranteed by a member of Lake Nona Real Estate and Index International AB, a Swedish company related by virtue of common ownership and management. –

$ 65,792,108

Aggregate maturities of long-term debt subsequent to December 31, 2014 are as follows:

2015	$ 2,530,639
2016	13,904,999
2017	2,858,107
2018	930,541
2019	9,270,976
Thereafter	36,296,846
	$ 65,792,108

Interest incurred on third-party obligations and related interest rate swap agreements amounted to $ 1,714,000 for the year ended December 31, 2014, of which approximately $ 491,000 was capitalized.

Principally all of the long-term debt is subject to certain covenants that if not met, could cause the loans to be due on demand.

Notes To Consolidated Financial Statements

Note 8. Long-term debt – Related Parties

Long-term debt at December 31, 2014, consisted of the following:

Index Apartments, LLC
$ 34,549,127 promissory grid note with Index International AB ("IIAB"), a Swedish company related by virtue of common ownership and management; interest accrued at a fixed rate of 6% per annum through June 30, 2013, increasing thereafter to a variable rate that corresponds with IIAB registered bond obligations plus 0.5% (effectively 7.9% at December 31, 2014); principal and accrued interest are due upon maturity on December 31, 2018; uncollateralized; outstanding balance includes accrued interest of $ 4,435,828. *$ 38,984,925*

ONX1, LLC
$ 3,500,000 promissory note with Index Alternative Equity AB ("IAEAB"), a Swedish company related by virtue of common ownership and management; with a stated interest amount of $ 1,750,000 through maturity December 9, 2013 (effectively 45% per annum); upon non-payment at maturity the loan was in technical default and $ 450,000 of additional interest became due; collateralized by the membership interest in ONX1, LLC ("ONX1"), a 75% owned, controlled subsidiary of the Company, and a first mortgage and security agreement on industrial property located in Syracuse, New York, with a net book value of approximately $ 5,800,000, personally guaranteed by the noncontrolling member of ONX1. The loan was modified in 2014 to forgive the default interest charge, charge no additional interest, and make the note due on demand; outstanding balance includes accrued interest of $ 1,750,000. The $ 450,000 of forgiven interest was recorded as a capital contribution. *5,250,000*

Index Enterprise, LLC
$ 13,950,492 promissory note with IIAB; interest accrues at a fixed rate of 9.5% per annum; principal and accrued interest are due on demand; uncollateralized; outstanding balance includes accrued interest of $ 971,328. *14,921,820*

Index Senior Living Lake Nona, LLC
$ 4,300,000 promissory note with Index IIAB; interest accrues at a variable rate that corresponds with IIAB registered bond obligations plus 0.5% (effectively 7.9% at December 31, 2014); principal and accrued interest are due on demand 90 days after written notice; uncollateralized; outstanding balance includes accrued interest of $ 124,436. *4,424,406*

OMX, LLC
$ 4,000,000 promissory note with Index Alternative Investment 2 AB ("IAI2AB"), a Swedish company related by virtue of common ownership and management; interest accrues at 15% compounding monthly; default interest of 16%; principal and accrued interest are due on December 31, 2014; collateralized by the property and members' ownership interest in OMX, LLC; loan is in default subsequent to December 31, 2014. *3,277,292*

ONX 3, LLC
$ 1,900,000 promissory note with Index Alternative Investment 1 AB ("IAI1AB"), a Swedish company related by virtue of common ownership and management; interest accrues at a fixed rate of 15% per annum; principal and accrued interest are due on demand; uncollateralized; outstanding balance includes accrued interest of $ 498,011. *2,398,011*

ONX1, LLC
$ 2,103,000 promissory note with IAEAB; interest accrues at a fixed rate of 9% per annum; principal and accrued interest are due on demand; uncollateralized; outstanding balance includes accrued interest of $ 113,297. *2,216,297*

Index Riva, LLC
$ 1,000,000 promissory note with Index Alternative Investment 3 AB, a Swedish company related by virtue of common ownership and management; interest accrues at a variable rate which was 8.03% per annum at December 31, 2014; principal and accrued interest are due on demand; uncollateralized; outstanding balance includes accrued interest of $ 19,804. *1,019,804*

ONX3, LLC
$ 700,000 building loan with IAI1AB; interest accrues at a fixed rate of 15% per annum; principal and accrued interest are due on demand; uncollateralized; outstanding balance includes accrued interest of $ 98,375. *798,375*

ONX3, LLC
$ 392,000 demand grid note with IAI1AB; interest accrues at a fixed rate of 9% per annum; principal and accrued interest are due on demand; uncollateralized; outstanding balance includes accrued interest of $14,861. *406,861*

ONX 3, LLC
$ 100,000 promissory note with IAI1AB; interest accrues at a fixed rate of 9% per annum; principal and accrued interest are due on demand; uncollateralized; includes accrued interest of $ 17,186. *117,186*

Investor Management, LLC
$ 14,369 promissory note with Index INV, a Swedish company related by virtue of common ownership and management; interest accrues at a fixed rate of 6% per annum; principal and accrued interest are due upon maturity on December 31, 2018; and is uncollateralized; outstanding balance includes accrued interest of $ 1,112. *15,481*

$ 73,830,458

Subordination
All long-term debt – related parties obligations are subordinate to the Company's Guarantee related to IIAB's bond offering. (Note 11)

Aggregate maturities of long-term debt – related parties, including accrued interest due upon maturity, for the years subsequent to December 31, 2014 are as follows:

2015	$ 34,830,021
2016	–
2017	–
2018	39,000,437
	$ 73,830,458

Interest incurred on long-term debt – related parties amounted to approximately $ 4,826,000 for the year ended December 31, 2014 of which approximately $ 124,000 was capitalized.

Notes To Consolidated Financial Statements

Note 9. Deferred costs

Deferred costs at December 31, 2014, consisted of the following:

Deferred financing costs	$ 1,015,353
Deferred leasing costs	279,200
	1,294,553
Less: accumulated amortization	(549,711)
Deferred costs, net	$ 744,842

Fees and costs incurred to obtain, refinance and extend long-term financing are deferred and amortized over the term of the respective loan. Amortization of deferred financing costs for the year ended December 31, 2014 amounted to approximately $ 368,000, of which approximately $ 132,000 was capitalized and approximately $ 236,000 was expensed.

Fees and costs incurred in the successful negotiation of leases, including brokerage, legal and other costs are deferred and amortized over the life of the respective tenant's lease. Amortization expense on deferred leasing costs amounted to approximately $ 28,000 for the year ended December 31, 2014.

Note 10. Related party transactions

Note Receivable

In February 2013, the noncontrolling member of ONX1 entered into a promissory note in the amount of $ 1,000,000. The note is unsecured, bears interest at a fixed rate of 0.21%, and matures on February 21, 2016. Interest only payments are due semi-annually through maturity, at which time the outstanding principal balance and accrued interest are due. If the outstanding balance is not paid at maturity, a 10% penalty will be charged and the interest rate increases to 15%. The outstanding balance at December 31, 2014 of $ 1,000,000 is included in due from related parties in the accompanying consolidated balance sheet.

Due from Related Parties

Amounts due from related parties represent advances to entities related by virtue of common ownership and management. These advances are unsecured, non-interest bearing, and due on demand.

General and Administrative Expenses

Related parties of the Company provide assistance in locating, evaluating, negotiating, structuring and disposing of investments for the Company, as well as providing all office facilities, equipment and personnel needed by the Company to carry out its business. Generally, no charge is levied to the Company by its related parties for such services.

Construction Costs

As of December 31, 2014, the Company's industrial property redevelopment subsidiaries capitalized approximately $ 5,873,000 of construction related costs to a general contractor entity owned by the noncontrolling member. For the year ended December 31, 2014, approximately $ 1,898,000 was incurred and capitalized as a component of rental property and approximately $ 848,000 owed to the contractor at December 31, 2014 is included in accounts payable and accrued liabilities in the accompanying consolidated balance sheet.

Development and Construction Management Fees

Typically, the Company enters into development and construction management agreements with the noncontrolling member of its multi-family residential rental development subsidiaries. As compensation for the planning and management of the development projects, the member earns a fixed fee based on each individual project budget. Total development and construction management fees incurred and capitalized in the Company's multi-family residential rental development subsidiaries for the year ended December 31, 2014 amounted to approximately $ 1,442,000. At December 31, 2014, approximately $ 3,705,000 was included as a component of rental property and assets held for development in the accompanying consolidated balance sheet.

Consulting and Management Fees

During 2014, the Company entered into two consulting and management agreements with parties that are related by virtue of common ownership. For the year ended December 31, 2014, the Company incurred approximately $ 1,967,000 of consulting and management fees.

Legal Fees

During 2014, the Company incurred legal fees of approximately $ 793,000 to a member of several of the consolidated subsidiaries, which is included in professional fees in the accompanying consolidated statement of operations. The member was issued equity valued at approximately $ 673,000 for payment of a portion of the legal fees. At December 31, 2014, legal fees payable to the member of approximately $ 164,000 are included in accounts payable and accrued liabilities in the accompanying consolidated balance sheet.

Notes To Consolidated Financial Statements

Note 11. Commitments and contingencies

Environmental Remediation

ONX1 has an ongoing potential environmental remediation matter related to a stormwater pond located on its property which was utilized for waste management of petroleum, various oils and chemicals by a former occupant of the property. There is no known litigation or enforcement related to the matter and management believes that if remediation was required, the prior occupant would be responsible. Remediation costs are unknown at this time, but could be significant.

OMX, LLC has an ongoing potential environmental remediation matter related to certain groundwater contamination on its property which was utilized by the prior occupant. Remediation efforts were performed by the prior occupant, however the matter has not been closed out by the Michigan Department of Environmental Quality. $ 300,000 of the prior occupant's funds remains in escrow with a title company until the matter is resolved. The Company believes these funds would be sufficient to pay for any outstanding environmental remediation costs related to this matter.

Litigation

Management does not believe there is any litigation threatened against the Company other than routine matters arising in the ordinary normal course of business, some of which are expected to be covered by liability insurance, and none of which are expected to have a material adverse effect on the consolidated financial statements of the Company.

Guarantee

In June 2013, Index became a guarantor in favor of Swedish Trust AB (the "Bond Trustee") for a bond offering by IIAB (the "Guarantee). The bond offering was for a maximum original face value amount of 275 million Swedish Krona (approximately 35 million U.S. Dollars at December 31, 2014). The bonds had a final redemption date of December 28, 2016.

In May 2014, Index became a guarantor in favor of the Bond Trustee for another bond offering by IIAB. Funds from the new bond offering were used to fully repay the outstanding principal including all unpaid accrued interest on the previously outstanding bond. The bond offering is for a maximum original face value amount of 500 million Swedish Krona (approximately 64 million U.S. Dollars at December 31, 2014). The bonds have a final redemption date of May 22, 2018.

Index unconditionally guarantees the full and punctual payment when due of the obligations evidenced by the bonds, including all amounts payable by IIAB to the Bond Trustee under the terms and conditions of the bond offering. The Guarantee is an irrevocable and unconditional guarantee of payment and is not a guaranty of collection. Index does not have recourse with any other party in connection with the Guarantee. The Company does not believe it is probable that it will be called upon to perform on the Guarantee, and accordingly has not recorded a liability for the Guarantee as of December 31, 2014.

Note 12. Leasing arrangements

Leasing Arrangements

The Company leases commercial and industrial rental properties to tenants under noncancelable operating leases that expire on various dates through 2024. The lease agreements typically provide for base rent plus reimbursement of certain operating costs, as well as percentage rents based on tenant's revenue. Residential rental leases are typically short-term. As of December 31, 2014, occupancy rates by property were as follows:

Property	
ONX1	17%
ONX3	50%
Jupiter Harbor Office	100%
Dakota	97%
Little Torch	46%
Bridgewater	95%

The approximate future minimum rents related to commercial and industrial properties, exclusive of reimbursements for operating costs and percentage rents, under noncancelable operating leases for the years subsequent to December 31, 2014 are as follows:

Year	Amount
2015	$ 1,236,000
2016	1,273,000
2017	1,138,000
2018	935,000
2019	569,000
Thereafter	1,524,000
	$ 6,675,000

Notes To Consolidated Financial Statements

Note 13. Member operating agreement

Pursuant to the Amended and Restated Operating Agreement of the Company (the "Agreement"), dated December 31, 2013, ownership interest is comprised of one class of membership units. Members have limited personal liability for the obligations and debts of the Company. The Company shall have perpetual existence unless terminated in accordance with the provisions of the Agreement. Generally, income and loss allocations and distributions shall be made to the members pro rata. As of December 31, 2014, the Company is owned 50/50 by two members.

Note 14. Subsequent events

Acquisitions and Loans Payable

In January 2015, the Company acquired a resort property in Marathon, Florida for $ 4,375,000, to redevelop and operate a country club, golf course, hotel and villas. Management is currently performing an analysis to record the acquired assets and liabilities at their estimated fair values.

On March 10, 2015, Marathon Ocean Housing, LLC ("Marathon Ocean") entered into a loan agreement with Branch Banking and Trust Company to amend and restate the previously outstanding loan that had a maximum limited principal borrowing limit of $ 1,980,000. The restated loan allows for borrowings up to $ 21,200,000 to fund the construction and development of the project. Interest accrues at LIBOR plus 2.5% and is payable along with the principal balance at the end of the construction phase, defined as 36 months from the date of the agreement, unless the loan is converted to a term loan. Upon conversion to a term loan, the borrower must make monthly principal and interest payments based on a 30 year amortization of the outstanding principal balance.

On March 26, 2015, Monterey Pointe Housing, LLC ("Monterey Pointe") entered into a purchase agreement to acquire 5.1 acres of land in Orlando Florida for $ 1,890,000. The acquisition was partially funded through a land loan with PNC Bank, N.A. of $ 1,000,000. The land loan bares interest of the greater of i) the prime rate, ii) the federal funds open rate plus fifty basis points (.5%), or iii) the daily LIBOR rate plus one hundred basis points (1%) and matures on September 27, 2015. Interest only payments are due monthly with the principal and any accrued interest due upon maturity.

Subsequent to December 31, 2014, the Company borrowed approximately $ 10,165,000 from Swedish companies related by virtue of common ownership and management to fund acquisitions and existing projects.

Evaluation Date

The Company has evaluated subsequent events through March 31, 2015, which is the date the accompanying consolidated financial statements were available to be issued.

Stockholm 2015-XX-XX

Bjarne Borg
Manager

INDEX

Est. 1998