



**Interim Financial Statements**  
Index Enterprise LLC and Subsidiaries

# January–March 2015



Little Torch Cottages, Florida Keys, FL

The Manager of Index Enterprise LLC hereby presents the interim financial statement for the period January 1st, 2015 – March 31th, 2015.

The financial report is prepared in US Dollars, USD.

## Administration Report

### OPERATIONS

Index Enterprise, LLC (the "Company") is a limited liability company organized under the laws of the state of Florida. The Company holds a diversified Real Estate Portfolio and presently owns, develops and invests in properties through its wholly owned subsidiaries together with its US joint venturers in Florida, New York, and Michigan. The Company's investment strategy rests primarily on the Multi-family Residential Platform but is also actively engaged in the acquisition and development of assisted living facilities throughout the Southeastern United States as well as the acquisition of commercial properties (Offices, Restaurant and Industrial Properties).

#### Ownership structure

The Company has its principal office in Jupiter, Florida and is a jointly-owned company of Vector Holdings, LLC and Fredrik Alamaa.

#### I. - Significant events

##### Multifamily Rental Projects

The Company through its wholly owned subsidiary Index Apartments, LLC has a current portfolio of eight (8) multi-family rental apartment properties in Florida which include: the Dakota at Abacoa; the Bridgewater at Lake Osborne; River Walk Pointe at Mangrove Bay; High Ridge Landing; Little Torch; Sonoma Pointe; Marathon Ocean and Monterey Pointe. Those projects comprise a total of 1106 intelligently designed multi-family residential rental apartment units in attractive locations throughout Florida.

Index Apartments is developing desirable rental apartment communities with environmentally sustainable features and excellence in construction, employing elegance in design and sustainable technology.

Dakota, Bridgewater and Little Torch Projects have a stabilized occupancy percentage between 95%–100%.

Riverwalk Pointe leasing activity is performing according to plan.

Sonoma Pointe construction started in September, 2014. Leasing activity is expected to commence by Q4, 2015.

Tarpon Harbour construction loan closed in March 2015. Construction started right after closing for a 14 month period.

High Ridge Landing Construction Loan is under negotiation and is expected to close by Q3, 2015.

Monterey Pointe land acquisition closed in March 2015. Construction Loan is under negotiation and is expected to close by Q3, 2015.

##### Condo Projects

Index Enterprise through its wholly owned subsidiary Index Riva, LLC and joint venturer Premier Developer V, LLC acquired two acres of property with extensive frontage on the Middle River of Fort Lauderdale, Florida. The property is under development with 100 luxury condominium units for sale. Construction is expected to start in Q2, 2015. Substantial completion and closing on individual units is projected by 2016.

##### Assisted Living Facilities

The Company through its wholly owned subsidiary Index Senior Living Group and joint venturer Watercrest Senior Living Group (a respected assisted living developer/operator based in Florida) is focused on acquiring and developing assisted living and memory care facilities throughout the southeastern United States.

The objective of the joint venture is to develop and own a portfolio of high end assisted living facilities in the Southeastern United States. The current portfolio consists of two (2) Florida projects: Lake Nona in Orlando and Viera in Brevard County.

Lake Nona Project construction loan closed on September, 2014. Construction started right after closing and has reached 80% completion. Leasing activity is expected to commence by Q3, 2015.

Viera land acquisition is expected to close by June, 2015.

##### Industrial Projects

The Company through its subsidiary Viking Ventures America, LLC continues to work on redevelopment of its industrial properties located in New York and Michigan. The Company has been marketing the commercial properties for long-term lease. A portion of the Michigan property will be demolished for salvage value and the real estate owning entity is presently negotiating a long term leases with an AAA credit rated tenants in those facilities.

##### Commercial Projects

Index Enterprise through its wholly owned affiliated companies controls the entire commercial area of the Property Owners Association known as Jupiter Harbour.

Jupiter Inlet Development, LLC (wholly owned by Index Apartments, LLC) is a waterfront property with a restaurant building. The 10,000 sf building will be demolished for redevelopment opportunities.

Jupiter Harbour Office, LLC (wholly owned by Index Enterprise, LLC) acquired a 12,000 square foot office building located in the desirable area by the inlet in Jupiter, Florida. Building is 100% leased.

##### Mixed Use Projects

Index Enterprise acquired the Florida Keys Country Club through their subsidiary Index Resort Development, LLC. Phase I of the redevelopment plan for this 120 acre property located in the Florida Keys consists of a complete cutting edge redesign of the golf course and tennis courts, the construction of a hotel, cottages and a marina.

#### II. - Significant events after the end of the financial period.

- Index Enterprise LLC continues source residential real estate investment and continues to optimistically view the real estate market in the southeastern US.
- Dakota, Bridgewater and Little Torch Projects maintain a stabilized occupancy percentage between 95%-100%.
- Construction on Sonoma Pointe and Lake Nona is ahead of schedule.
- Leasing activity increased in Riverwalk Project.
- Sonoma Pointe has started pre-leasing activities.
- Riva Project continues pre-selling luxury condominium units.

#### Sincerely

Bjarne Borg  
Manager

## Consolidated Balance Sheet

<b>ASSETS</b>	<b>\$</b>
RENTAL PROPERTY	109,874,378
ASSETS HELD FOR DEVELOPMENT	32,027,564
CASH AND CASH EQUIVALENTS	2,259,901
RESTRICTED CASH	491,269
DUE FROM RELATED PARTIES	1,314,742
INVESTMENTS IN AND ADVANCES TO UNCONSOLIDATED INVESTEEES	148,795
DEFERRED FINANCING COST, NET	281,736
PREPAID EXPENSES	186,965
PRE-ACQUISITION COSTS	354,470
ACCOUNTS RECEIVABLE, NET OF ALLOWANCE FOR DOUBTFUL ACCOUNTS OF \$108,558	1,075,610
OTHER ASSETS	210,431
	<b>148,225,861</b>
<b>LIABILITIES AND MEMBERS' DEFICIT</b>	<b>\$</b>
LONG-TERM DEBT – RELATED PARTIES	79,637,558
LONG TERM DEBT	69,823,268
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	11,931,539
FAIR VALUE OF INTEREST RATE SWAP	626,056
TENANT SECURITY AND CUSTOMER DEPOSITS	207,488
DEFERRED REVENUE	154,352
COMMITMENTS AND CONTINGENCIES	
MEMBERS' DEFICIT OF INDEX ENTERPRISE, LLC	(18,053,381)
NONCONTROLLING INTEREST	3,898,981
	<b>148,225,861</b>

## Consolidated Statement of Operations

### Three Months ended March 31, 2015

<b>INCOME</b>	<b>\$</b>
Rental Revenue	2,262,246
Golf and Membership Revenue	321,924
<b>Total income</b>	<b>2,584,170</b>
<b>OPERATING EXPENSES</b>	
Advertising and promotion	17,840
Common area maintenance	631,467
Depreciation	785,867
General and administrative	429,552
Insurance - general	189,089
Management fees	584,921
Professional fees	133,207
Real estate taxes	261,997
Other operating expenses	338,331
<b>Total operating expenses</b>	<b>3,372,271</b>
<b>LOSS FROM OPERATIONS</b>	<b>(788,101)</b>
<b>OTHER INCOME (EXPENSE)</b>	
Interest expense	(1,799,303)
Equity in earnings of unconsolidated investees	(575,337)
Interest income	108,774
Miscellaneous Income	63,477
<b>Total other income (expense)</b>	<b>(2,202,389)</b>
<b>NET LOSS</b>	<b>(2,990,490)</b>
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST	(331,260)
<b>NET LOSS ATTRIBUTABLE TO INDEX ENTERPRISE, LLC</b>	<b>\$ (2,659,230)</b>

## Consolidated Statement of Cash Flows

### Three Months ended March 31, 2015

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	<b>\$</b>
Net loss	(2,990,490)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	785,867
Equity in earnings of unconsolidated investee	575,337
Accrued interest on long-term debt – related parties	881,893
Changes in operating assets and liabilities:	
Accounts receivable	(937,783)
Prepaid expenses	11,126
Deferred costs, net	463,106
Other assets	(210,431)
Accounts payable and accrued liabilities	5,201,779
Tenant security deposits	7,969
Unearned rent	58,024
Total Adjustments	6,836,887
<b>Net cash provided by operating activities</b>	<b>3,846,397</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Restricted cash	3,160,936
Investments in assets held for development	(8,225,019)
Investment in rental properties	(12,976,108)
Pre-acquisition costs, net	(117,206)
Due from related parties, net	866,135
<b>Net cash used in investing activities</b>	<b>(17,291,262)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Capital contributions – noncontrolling interest	1,707,975
Distributions – noncontrolling interest	(42,200)
Proceeds/Repayments long-term debt, net – related parties	4,924,382
Proceeds/Repayments long-term debt, net	4,031,160
<b>Net cash provided by financing activities</b>	<b>10,621,317</b>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,823,548)
CASH AND CASH EQUIVALENTS – BEGINNING	5,083,449
<b>CASH AND CASH EQUIVALENTS – END</b>	<b>2,259,901</b>
<b>Supplemental Disclosure of Cash Flow Information:</b>	
<b>Interest paid</b>	<b>\$ 917,410</b>
<b>Income taxes paid</b>	<b>-</b>
<b>Supplemental Disclosure of Noncash Financing and Investing Activities:</b>	
<b>Extinguishment of debt recorded as capital distribution</b>	<b>825</b>

## Consolidated Statement of Changes in Members' Deficit Three Months ended March 31, 2015

	Members' deficit – Index Enterprise, LLC	Accumulated other comprehensive loss	Non- controlling Interest	Total
Members' Deficit as of December 31, 2014	\$ (14,876,830)	\$ (516,496)	\$ 2,564,466	\$ (12,828,860)
Capital contribution – noncontrolling interest		–	1,707,975	1,707,975
Distributions	(825)	–	(42,200)	(43,025)
Net loss	(2,659,230)	–	(331,260)	(2,990,490)
Members' Deficit as of March 31, 2015	\$ (17,536,885)	\$ (516,496)	\$ 3,898,981	\$ (14,154,400)

Stockholm, May 29, 2015



**Bjarne Borg**  
Manager

## Form of Compliance Certificate

**To:** Nordic Trustee & Agency AB (publ) (as Bond Trustee)  
**From:** Index Enterprise LLC (publ) (as Guarantor)  
**Date:** May 29, 2015

### Dear Sirs and Madams,

We refer to the terms and conditions for Index International AB (publ)'s maximum SEK 500,000,000 senior unsecured floating rate bonds 2014/2018 with ISIN: SE0005797537 (the "Terms and Conditions"), and the guaranty made by Index Enterprise LLC, a Florida limited liability company, in favor of Nordic Trustee & Agency AB (publ), dated 22nd of May, 2014 (the "Guaranty"). Under the Guaranty a Compliance Certificate shall be issued with reference to SECTION 8. (i) Financial Reporting (iii). This letter constitutes a Compliance Certificate for the period 150101 - 150331.

Capitalized words and expressions are used herein as defined in the Terms and Conditions.

We hereby certify that:

1. We are in compliance with the Guaranty, and, as far as we are aware, no Event of Default is continuing.

Copies of our latest quarterly interim unaudited consolidated reports of the Guarantor's company group and the quarterly interim unaudited unconsolidated reports of the Guarantor, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Guarantor's board of directors, are published on the website [www.indexinvest.com](http://www.indexinvest.com).

Yours faithfully,  
Index Enterprise LLC



Name: Bjarne Borg  
Authorized signatory of the Guarantor

